Notes and Observations in International Commodity Markets

16th September 2022

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

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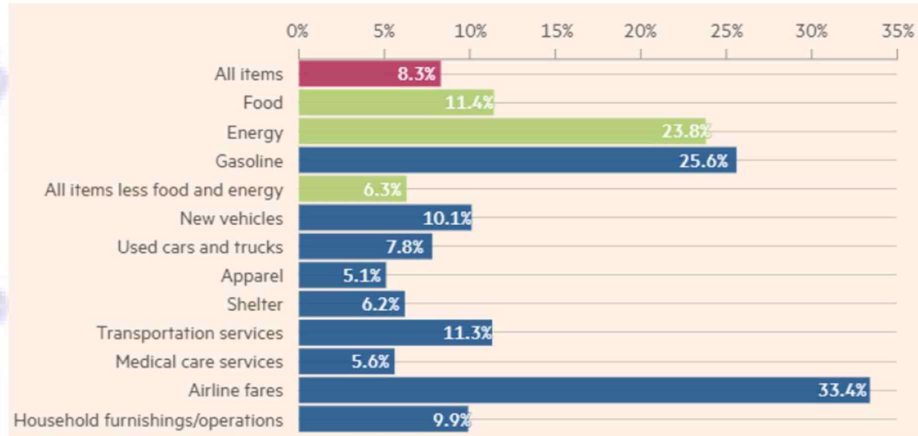
COMMODITY MARKETS

Have a good weekend! ☺



➢ U.S. government cuts corn, soy supply view on harvest setbacks

12 September 2022 Mark Weinraub, Reuters – This month’s USDA WASDE Report forecasts U.S. corn and soybean supplies will fall to multi-year lows as hot and dry weather during August in western growing areas cut into the harvest potential for both crops, the government said on Monday.

The U.S. Agriculture Department cut its outlook for U.S. corn end stocks in the 2022/23 to a 10-year-low of 1.219 bbus, from 1.388 billion. Soybean supplies were seen at a seven-year low, of 200 mbus.

The world was counting on massive U.S. production this fall, to help make up for diminished grain exports from war-torn Ukraine. Though recent Black Sea-area shipments of grain have flowed into the global market in recent weeks, continued geopolitical unrest and supply chain uncertainty has sent ructions through the futures market in the past week.

Following the release of the report on Monday, Chicago Board of Trade soybean futures surged after the report was released, with the most-active contract up 4.2% and on pace for its biggest daily gain in 2½ months. Corn futures rallied to their highest since June 28th.

"The bean yield came in well below the low-end of expectation" and that, along with USDA's drop in harvested soybean acres, is what is giving soy futures its strength today, said Ted Seifried, vice president of Zaner Group.

Farmers will likely harvest a corn crop of 13.944 bbus, based on an average yield of 172.5 bus/acre, the USDA said in its monthly World Agricultural Supply and Demand Estimates report. If realized, that would be the smallest U.S. harvest in three years.

Soybean harvest was pegged at 4.378 bbus, with average yields seen at 50.5 bus/acre.

Analysts had been expecting a corn production figure of 14.088 bbus, based on a yield of 172.5, according to the average of estimates in a Reuters poll of analysts. Average trade forecasts for soybean production and yield were 4.496 bbus and 51.5, respectively.

U.S. DOLLAR & FOREIGN EXCHANGE

➢ US Dollar Index – Dollar Posts Fresh 20-Year High

16 September 2022 Rich Asplund, Barchart – The dollar index on continued to make new 20-year highs this week.

The dollar index on Friday was little changed after earlier climbing to a 1-week high. The selloff Friday in the S&P 500 to a 1-3/4 month low boosted liquidity demand for the dollar. Also, Friday's plunge in GBP/USD to a 37-year low and the fall in the Chinese yuan to a 2-year low were positive factors for the dollar. However, the dollar gave up its advance Friday after T-note yields declined, which weakened the dollar's interest rate differentials.

Friday's U.S. economic reports were mixed for Fed policy and the dollar. The University of Michigan's Sep U.S. consumer sentiment index rose +1.3 to 59.5, weaker than expectations of 60.0. However, the University of Michigan's 5-10 year inflation forecast unexpectedly dropped to a 14-month low of 2.8%, lower than expectations of no change at 2.9%.

EUR/USD on Friday rose by +0.05%. The euro Friday moved slightly higher and garnered support from hawkish comments from ECB President Lagarde and ECB Vice President Guindos, who both expressed support for additional ECB rate hikes.

Friday's Eurozone economic news was bullish for EUR/USD after Eurozone Aug new car registrations rose +4.4% y/y, the first increase in 14 months.

ECB President Lagarde said, "the ECB must focus on our price-stability target, which we've set at 2% over the medium-term, so we have to use all the monetary policy tools available to us to reach this target."

ECB Vice President Guindos said, "the slowdown of the economy is not going to take care of inflation on its own, so more ECB rate hikes might come in the next few months."

USD/JPY on Friday fell by -0.43%. The yen rose moderately Friday and found support on a decline in T-note yields. Also, a -1.1% decline in Japan's Nikkei Stock Index Friday to a 1-week low prompted some safe-haven demand for the yen. In addition, the yen has support on signs the BOJ may soon intervene in the currency market to support the yen after its recent plunge to a 24-year low against the dollar. The BOJ Wednesday conducted a rate check in currency markets, a possible precursor for currency intervention.

October gold (GCV22) Friday closed up +6.00 (+0.36%), and December silver (SIZ22) closed up +0.112 (+0.58%). Gold and silver Friday recovered from early losses and posted modest gains. Gold prices rebounded from a 2-1/2 year low Friday and moved higher after T-note yields declined. Friday's stock selloff has also boosted some safe-haven demand for precious metals and gold prices. Metals prices Friday morning initially moved lower as a rally in the dollar index to a 1-week high pressured metals prices.

➢ Argentina inflation nears 80%; spiraling prices squeeze shoppers

14 Sept 2022 by Hernan Nessi and Miguel Lo Bianco, Reuters - Argentina's monthly inflation blew past forecasts at 7% in August and soared to nearly 80% from a year earlier, a government agency reported on Wednesday, despite efforts by officials and central bankers to curb spiraling prices.

The m/o/m inflation reading, reported by the INDEC statistics agency, was cooler than the 7.4% in July but above the 6.6% median analyst forecast in a Reuters poll.

The South American country, a major grains producer, has one of the world's highest inflation rates. The situation has been aggravated by rising global food and fuel costs and has dented the popularity of President Alberto Fernandez's center-left government ahead of elections next year.

The government has pushed retailers to freeze some prices, with some supermarkets rationing purchases of staples like flour, sugar and milk in a bid to control prices. Shopping costs have nonetheless soared.

"From one week to the next, you seem to spend twice as much," Graciela Negretti, a 67-year-old retiree in Buenos Aires, told Reuters. "Yesterday I went to the supermarket and I came home just sickened. I told my children that things surely could not increase this much in just a few days."

Inflation in the 12 months through August hit 78.5%, while prices were up 56.4% in the first eight months of the year. A central bank poll recently forecast that Argentina would end the year with an inflation rate of 95%, while some private analysts predict it will hit 100%.

Lucia Estevez, 38, an interior designer, told Reuters that many people were not making it to the end of the month as inflation devalued their salaries, forcing people to cut out small luxuries they had enjoyed. "You're always trying to just stay afloat," she said. "You never have anything spare to be able to treat yourself."

- **Inflation to curb fertilizer use in Brazil's largest importer**

11 September 2022 Bloomberg - Demand for fertilizers in top importer Brazil is expected to fall for the first time in eight years, raising the climate risk for corn and the world's biggest soybean crop.

Brazilian farmers will likely consume 7.2% less fertilizer in 2022 due to higher costs, StoneX estimates. Producers will take advantage of the nutrients that remained in the soil from previous crops, mainly phosphorus and potassium.

“With favorable weather and absence of pests and diseases, less fertilizer should not harm yields,” Luigi Bezzon, an analyst at StoneX in São Paulo, said in a telephone interview. “But crops will be more susceptible to weather conditions.”

Declining fertilizer use in the planting season starting next week is another concern for growers and buyers who are already closely monitoring rainfall patterns amid a third consecutive La Nina, which often increases drought in southern Brazil . In 2021-22, the phenomenon caused the country's soy production to fall by 10%.

As demand wanes, Brazilian deposits are brimming with nutrients for crops after a period of record imports. In Paranaguá, private warehouses are at 90% of their maximum storage capacity, according to Luiz Teixeira da Silva, director of operations at the port. In Santos, more than 60% of the main fertilizer terminal is full.

Almost 5 mmts of fertilizers should arrive by December, according to Alphamar, an agricultural navigation agency focused on Brazilian agribusiness. Despite the surplus, prices have not fallen enough to spur more purchases by farmers, as grains are below the highs seen in May and June. Fertilizer suppliers are reluctant to cut prices as they have bought much of the product as prices have risen to avoid shortages after Russia's invasion of Ukraine triggered global bottlenecks.

Some fear that the concentration of the product in the ports could cause some bottlenecks in deliveries in the interior for the next plantations, including the winter corn crop in March, according to agricultural consultant Diogo Mazotini.

However, the flow of fertilizers to farms at Paraguay's main port will accelerate along with the increase in corn exports in the coming months - companies often use the same trucks that transport grain to ports on trips back inland, he said. Silva.

- **USDA data dump reveals decent soybean, dull corn export demand**

16 Sept 2022 Karen Braun, Reuters - U.S. soybean exporters have a respectable sales record to start the new marketing year, but the shrinking U.S. crop, questionable Chinese demand and South American competition are all threats for future bookings.

The same factors pressure U.S. corn exports, though the latest sales levels are already lackluster ahead of the U.S. harvest.

Technical issues have prevented the U.S. Department of Agriculture from publishing weekly U.S. export data for nearly a month, but data resumed on Thursday featuring four weeks of sales ended Sept. 8th. The data drought spanned marketing years as 2022-23 began on Sept. 1 for corn and soybeans.

Soybean sales for 2022-23 in those four weeks beat market expectations at 5.75 mmts, and 83% was to either China or unknown destinations. Estimates ranged from 2.5 million to 5.3 million.

Total 2022-23 soybean sales stood at 25.3 mmts as of September 8th, second-best for the date after 2020 and driven partly by significant Chinese buying back in January and February.

The September 8th total covers an above-average 45% of USDA’s full-year export forecast of 2.085 bbus, reduced from 2.155 billion earlier this week as U.S. harvest prospects plunged.

A year ago, soybean sales covered 39% of USDA’s September export projection, and 2021-22 exports are currently estimated 3% above that year-ago forecast, largely on Brazil’s crop shortfall.

Brazilian farmers began planting their potential record soybean crop on Thursday, though those supplies will not directly compete with U.S. ones for a few months. But Argentine beans are unexpectedly cramping U.S. business this month after the government incentivized soy sales through a favorable exchange rate.

Argentina is the top exporter of soybean products and a smaller supplier of raw beans. But China, its top bean buyer, may have secured upward of 1.5 mmts (55 mbus) so far this month for shipment this month or next.

That would cover just 1% of China’s expected 2022-23 soybean use, but it represents a notable portion of potential U.S. exports. September and October U.S. shipments to China will exceed 8 mmts in normal years.

Chinese soy import estimates for 2022-23 have been easing in recent months as lockdowns have limited demand recovery. This plus China’s opportunistic Argentina bookings and a monster crop looming in Brazil may mean U.S. soy supplies tighten to a less-than-expected degree despite crop losses.

USDA has not announced any daily export sales of U.S. soybeans or corn in the latest week.

CORN: For the 2022-23 marketing year, U.S. corn sales in the four weeks ended September 8th reached 2.465 mmts, within the range of estimates from 1.7 million to 3.4 million. That brings total 2022-23 corn sales to 12.3 mmts, some 21% of USDA’s

2.275 bbus outlook, the third-lowest coverage rate by the same date since at least 2007.

U.S. corn sales were standout at this point in the last two years, so this year is weak by comparison. Total corn commitments are down 50% on the year and down 38% from two years ago, but those margins shrink to 29% and 18% when removing China from the mix.

China was a big driver of early U.S. corn sales in the last two years, but they are weaker now. Chinese purchases as of Sept. 8 totaled 3.36 mmts, down 72% from a year ago and off 63% from the same date in 2020.

Both USDA and China's agriculture ministry peg 2022-23 Chinese corn imports at 18 mmts, but USDA's peg is down from an estimated 23 million in the prior year versus China's 2021-22 figure of 20 million.

Non-China U.S. corn sales are historically sluggish at 8.9 mmts, the second-lowest by Sept. 8 in at least the last 12 years, ahead of just 2019.

It can be hard to spur U.S. corn bookings at this time of year following a bumper Brazilian harvest, and the South American exporter just shipped an all-time monthly record of the yellow grain in August.

China earlier this year green-lighted Brazilian corn imports, adding pressure to U.S. possibilities. However, Brazil's agriculture ministry last week said there are still bureaucratic procedures to clear before that trade can begin.

U.S. grain exports narrowly avoided disaster on Thursday as the government reached a tentative deal with railway labor unions, averting the anticipated Friday shutdown. U.S. railroads, vital to grain exports, planned to start halting grain shipments on Thursday in preparation.

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

- **<u>Canada to yield more crops as farmers recover from drought</u>**

14 September 2022 By amanda Stephenson The Canadian Press - Canadian farmers are on track to produce a better crop this year, even as the memory of a punishing drought last year remains fresh in the Prairie provinces.

Early estimates from Statistics Canada suggest crop yields will be higher this harvest because of better growing conditions in Western Canada.

The agency said Wednesday it expects higher production levels for many crops, including canola, barley, soybeans and corn.

After a late start to seeding due to poor weather, much of the Prairies has received consistent precipitation since June this year.

That's a sharp contrast from 2021, when a severe drought withered crops in the fields. According to Agriculture and Agri-Food Canada statistics, Western Canadian production of principal field crops fell by more than 40% year-over-year in 2021, and was nearly 37% below the previous five-year average.

For the country as a whole, total 2021 field crop production for Canada was more than 30% lower than in 2020 and 27% below the previous five-year average.

According to Statistics Canada, wheat will be among the most dramatic yield increases across the country this year. Nationally, wheat production is projected to increase by 55.6% year-over-year to 34.7 mmts in 2022, according to Statistics Canada.

Wheat production in Alberta, the province which was hardest-hit by drought last year, is projected to increase by 80.1% this year to 11.6 mmts.

Farmers who do get a good crop should be able to capitalize on this year's high prices. After flattening out slightly over the summer, grain prices are expected to remain relatively strong in the immediate future due to tight Canadian supplies, more comfortable but still relatively tight global supplies, and expectations for continued strong international demand.

Canadian Crop Production

(thousand tonnes)

	2022	22/21 chg	22/20 chg
Total wheat	34,703	*56%*	*-2%*
Durum wheat	6,117	*101%*	*-7%*
Spring wheat	26,053	*60%*	*0%*
Winter wheat	2,532	*-16%*	*-9%*
Barley	9,428	*35%*	*-12%*
Canola	19,099	*39%*	*-2%*
Chick peas	157	*107%*	*-27%*
Corn for grain	14,861	*6%*	*10%*
Dry field peas	3,586	*59%*	*-22%*
Flaxseed	465	*34%*	*-20%*
Fall Rye	470	*1%*	*-1%*
Lentils	2,777	*73%*	*-3%*
Mustard seed	177	*190%*	*77%*
Oats	4,654	*66%*	*2%*
Soybeans	6,505	*4%*	*2%*

@kannbwx

Data sources: Statistics Canada/Reuters

WHEAT

➢ USDA – World Wheat

Wheat World as of September 2022					
Attribute	22/23 Sep'22	Change	22/23 Aug'22	21/22	20/21
Area Harvested (1000 HA)	221,437	-194(-.09%)	221,631	222,170	220,510
Beginning Stocks (1000 MT)	275,674	-672(-.24%)	276,346	290,553	298,213
Production (1000 MT)	783,918	+4320(+.55%)	779,598	779,903	774,530
MY Imports (1000 MT)	204,139	+250(+.12%)	203,889	197,990	195,367
TY Imports (1000 MT)	204,145	+250(+.12%)	203,895	199,793	195,291
TY Imp. from U.S. (1000 MT)	0	-	0	8,105	26,574
Total Supply (1000 MT)	1,263,731	+3898(+.31%)	1,259,833	1,268,446	1,268,110
MY Exports (1000 MT)	208,892	+245(+.12%)	208,647	203,170	203,403
TY Exports (1000 MT)	208,394	+245(+.12%)	208,149	205,254	199,314
Feed and Residual (1000 MT)	155,212	+2425(+1.59%)	152,787	161,036	157,940
FSI Consumption (1000 MT)	631,056	-	631,056	628,566	616,214
Total Consumption (1000 MT)	786,268	+2425(+.31%)	783,843	789,602	774,154
Ending Stocks (1000 MT)	268,571	+1228(+.46%)	267,343	275,674	290,553
Total Distribution (1000 MT)	1,263,731	+3898(+.31%)	1,259,833	1,268,446	1,268,110
Yield (MT/HA)	3.54	+(+.57%)	3.52	3.51	3.51

Source: USDA PS&D

12 Sep 2022 USDA AMS – The September USDA WASDE Report showed global production is now forecast at a record, raised this month primarily on larger crops in Russia, Ukraine, Morocco, and Mexico, more than offsetting a cut in Syria.

Global 2022/23 wheat increased supplies, consumption, exports, and ending stocks this month. Supplies increase by 3.6 mmts to 1,059.6 million, as production increases for Russia and Ukraine more than offset a decline in beginning stocks.

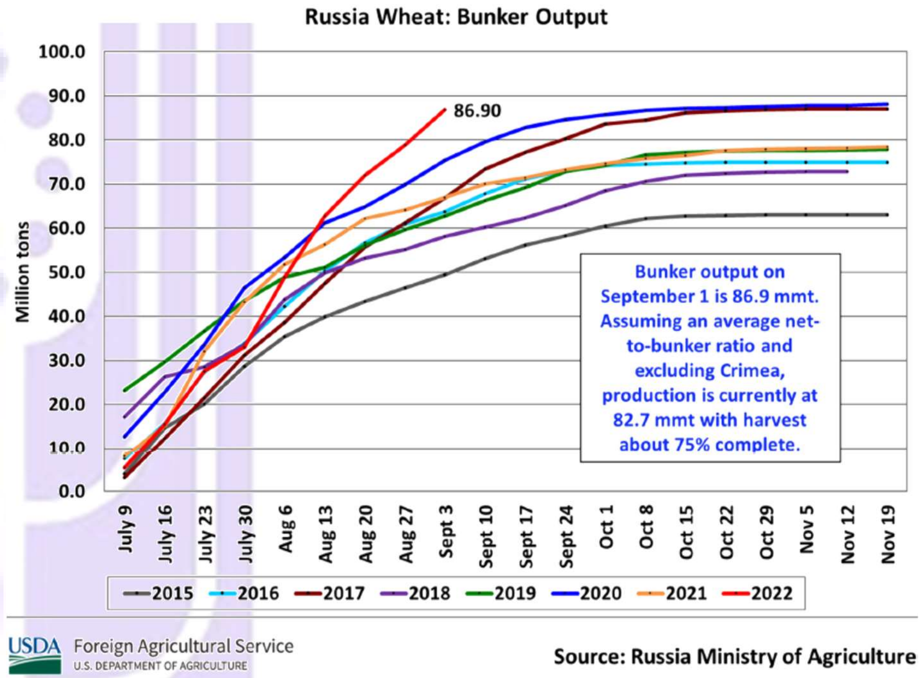
Production in Russia is forecast 3.0 mmts higher, to 91.0 million, on harvest results for winter wheat to date published by the Russian Ministry of Agriculture. If realized, area harvested, yield, and production for Russia will all reach record highs. The Ukraine production forecast is increased 1.0 mmts to 20.5 million as the harvest is nearly complete and government statistics reported higher yields in the Forest and Forest-Steppe zones.

Larger supplies boost global consumption by 2.4 mmts to 791.0 million, almost entirely on increased feed and residual use as food, seed, and industrial use is nearly unchanged. Feed and residual use in Russia is forecast 1.0 mmts higher to 21.0 million on additional supplies. EU feed and residual use is increased 1.0 mmts to 44.0 million as wheat prices are now more competitive with feed grains, spurring demand.

Global trade is nearly unchanged, rising 0.2 mmts to 208.9 million as there were no changes for any of the major exporters. Imports are raised on higher imports for Syria, partially offset by lower imports for Mexico.

World ending stocks increase 1.2 mmts to 268.6 million as stock increases in Russian and Ukraine more than offset a decline in the EU.

Russia Wheat: Record Yield



Russia wheat production for marketing year 2022/23 is estimated at 91.0 mmts, up 3% from last month and up 21% from last year. The estimate includes 68.0 mmts of winter wheat and 23.0 mmts of spring wheat.

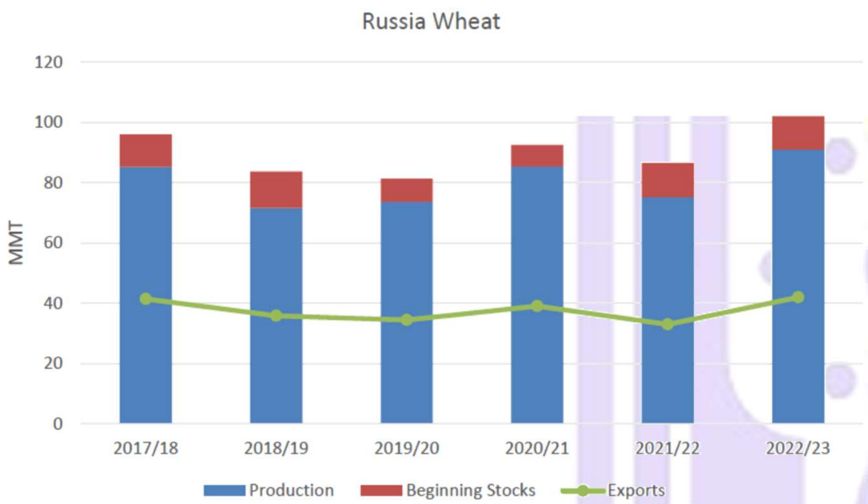
USDA crop production estimates for Russia exclude estimated output from Crimea which is included in Ukraine. Total wheat yield is estimated at a record 3.17 mts/ha, up 3% from last month, and up 17% from last year. Total harvested area is estimated at 28.7 million hectares, unchanged from last month but up 4% from last year.

Winter wheat harvest is essentially complete and spring wheat harvest has begun. Total Russia wheat yield typically starts high and decreases as harvest moves from the higher yielding southern oblasts in European Russia (Southern and North Caucasus Districts) to the lower yielding northern oblasts (Central and Volga Districts) in European Russia.

This year, however, total yield harvest remains high, due to early-season favorable conditions in the Central and Volga Districts. Area, yield, and production estimates for Russia winter wheat and spring wheat are available on USDA PS&D Online.

(For more information, please contact Katie.McGaughey@usda.gov.)

➢ Record Russia Wheat Supplies Enable Record Exports



12 Sep 2022 USDA AMS – Russia is set to have record supplies in 2022/23, enabling the country to soar to record exports. Production was up more than 20% from last year on much improved weather conditions and the country has large carry-in stocks.

The restrictive trade policies in place during the second half of the 2021/22 marketing year prompted larger on- and off-farm stockholding, leading to large carry-in stocks from which to ship. Russia implemented an export quota of 8 mmts between February 15 and June 30, the end of the marketing year.

So far in 2022/23, exports have begun to increase. However, continued challenges in booking sales and export logistics, and the continued government-imposed export tax have resulted in a more modest start of the export campaign.

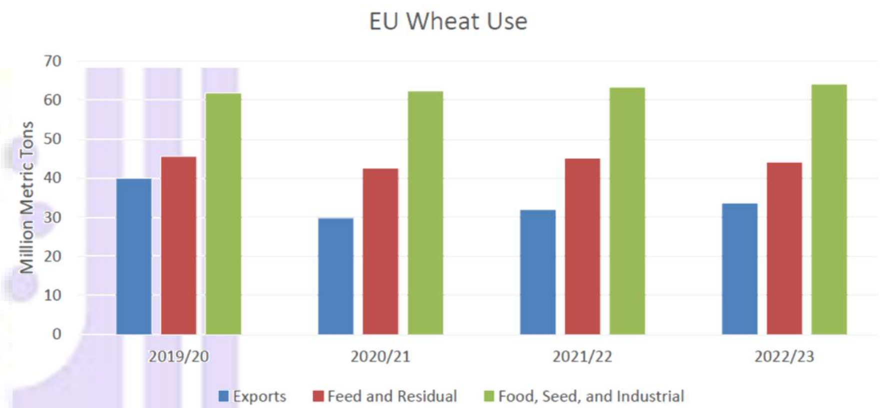
Over the course of the year, Russia is expected to increase monthly shipments to offset lower exportable supplies from its two main competitors.

The EU has a smaller wheat crop and will also use more wheat domestically for feed due to lower corn production. Ukraine also has a smaller crop and faces continued logistical constraints on its exports. While the grain corridor is currently open, there are upcoming discussions regarding its renewal.

As the largest exporter and with a bumper crop, Russia seeks to expand its markets overseas, by boosting exports and continuing to open new markets such as Algeria.

➢ EU Wheat Exports Expand but Constrained by Strong Competition

12 Sep 2022 USDA AMS –Since the beginning of 2022/23 (July/June), EU wheat exports have started strong with July-August exports over 6 mmts cumulatively. Supported by ample beginning stocks, exports are expected to rise to the highest in 3 years, despite a smaller crop. The robust monthly shipment pace is expected to wane as competition increases, both domestically and internationally.



The primary use for wheat in the EU is for food, which has been rising as COVID-related restrictions subside and tourism rebounds. In addition, an influx of refugees from Ukraine has boosted consumption demand higher.

After food, the next largest volume for wheat is for animal feed use, which remains robust. Over the past decade, corn has overtaken wheat as the predominant feed grain, sourced from domestic production and imports.

This year, the EU corn crop has been affected by adverse weather conditions and the crop size is expected to be down 17% from the prior year. With less corn production, the EU is expected to import more. However, imports are forecast only marginally higher given tight global corn supplies, resulting in less corn feed use.

Likewise, the EU barley crop is also expected to be lower, leading to less barley feeding. Currently, EU wheat prices are at a discount to corn and barley, making it an attractive feed option.

Despite the strong early-season pace, monthly shipments of EU wheats are expected to subside as more Black Sea wheat becomes available as the harvest is completed.

Ukraine and Russia are the largest direct competitors to the EU, particularly in Africa and the Middle East. Ukraine wheat has begun to move through the grain corridor, with over 500,000 tons shipped in the past month.

Meanwhile, Russia is completing its harvest of its record grain crop and still has ample carry-in stocks. Russia is forecast to be the largest global exporter and even with record exports will still have abundant ending stocks. As a result, Russia has the most competitive export quotes globally and is likely to see the pace of sales and shipments rise in the months to come.

While the EU is set to be the second largest exporter, demand from the domestic market will take precedence over exports as the year progresses.

➢ Ukraine Wheat: Production Higher Based on Harvest Results

Ukraine wheat production for marketing year 2022/23 is estimated at 20.5 mmts, up 5% from last month, but down 38% from last year. USDA crop production estimates for Ukraine include estimated output from Crimea and Ukrainian oblasts currently under Russian control due to the war. Yield is estimated at 3.90 tons per hectare, up 5% from last month, but down 12% from last year's record. Harvested area is estimated at 5.25 million hectares (mha), unchanged from last month, but down 29% from last year.

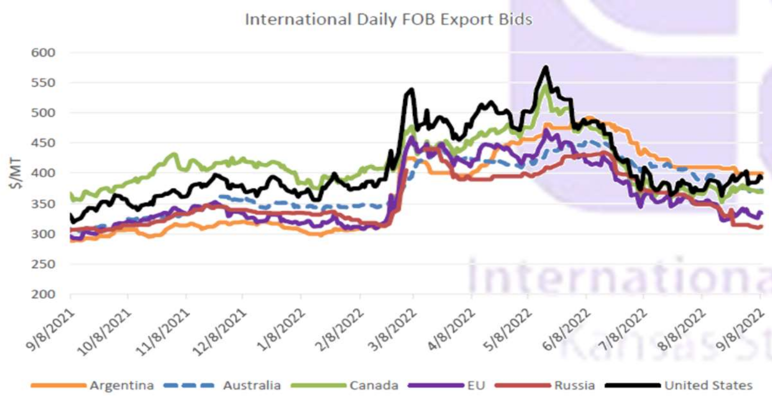
In Ukraine, 97% of total wheat production is winter wheat and harvest is essentially complete. Based on operational data from the Ukraine Ministry of Agriculture, as of the end of August, 4.62 mha has been harvested. This data, however, does not include reporting on the oblasts of Crimea, Donetsk, Luhansk, Zaporizka and Kherson. USDA, however, does include these areas.

Crimean wheat area is, on average, about 0.3 mha. The other oblasts are currently under active conflict so reporting has ceased, but by using high resolution commercial satellite imagery, harvesting can be seen occurring in these oblasts. The oblasts under conflict have lower area, year-to-year, due to mines in fields, bomb craters, and debris left in fields. Wheat area may be abandoned due to lack of fuel or manpower.

Yield is increased month-to-month based on Ministry of Agriculture harvest results. At the end of August, bunker yield is reported at 4.08 t/ha. Since USDA publishes in net weight, an average net-to-bunker conversion is assumed.

(For more information, please contact Katie.McGaughey@usda.gov.)

WHEAT PRICES



Source: IGC
*Note on FOB prices: Argentina- 12.0%, up river; Australia- average of APW; Kwinana, Newcastle, and Port Adelaide; Russia - Black Sea- milling; EU- France grade 1, Rouen; US- HRW 11.5% Gulf; Canada- CWRS (13.5%), Vancouver

Argentina	Australia	Canada	EU	Russia	United States
$400	$372	$369	$334	$313	$392

Note: As of September 8, 2022

Global wheat prices declined slightly after the August WASDE. EU quotes fell $21/mt on the declining euro and strong Black Sea shipments following the grain corridor agreement.

Russian quotes are the most competitive and have fallen $36/mt on large available supplies and declining export taxes.

Canadian quotes slid $11/ton on improved conditions in Saskatchewan and Alberta, although rains have delayed fieldwork where winter and spring wheat harvesting was estimated at 71% and 16% complete, respectively.

Australian quotes experienced a drop of $24/mt as continued favorable growing conditions are anticipated to produce a second consecutive bumper crop.

Argentine quotes dropped $10/mt as rains over the past several weeks supported strong growing conditions (Buenos Aires Cereal Exchange reported 79.9% normal-to-good condition).

TRADE CHANGES IN 2022/23 (1,000 MT)

Country	Attribute	Previous	Current	Change	Reason
Mexico	Imports	5,200	5,000	-200	Larger production
Syria	Imports	1,600	2,000	400	Smaller crop
Brazil	Exports	3,000	3,200	200	Ample exportable supplies

TRADE CHANGES IN 2021/22 (1,000 MT) – based on trade data

Country	Attribute	Previous	Current	Change
Ethiopia	Imports	1,412	1,700	288
Morocco	Imports	4,500	4,726	226

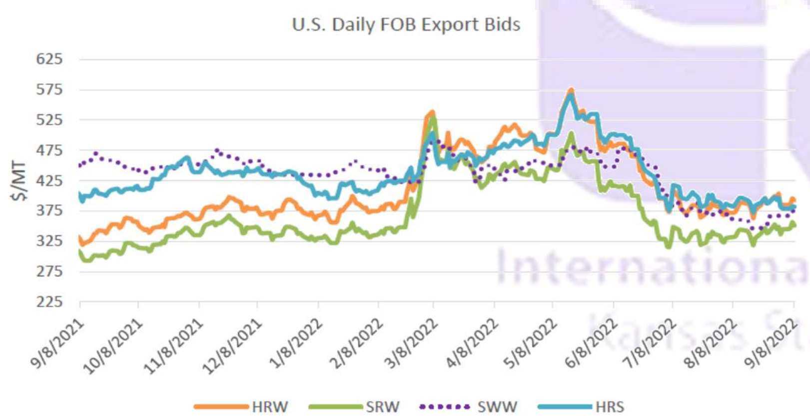
➢ USDA – U.S. Wheat

Wheat United States as of September 2022					
Attribute	22/23 Sep'22	Change	22/23 Aug'22	21/22	20/21
Area Harvested (1000 HA)	15,187	-	15,187	15,039	14,888
Beginning Stocks (1000 MT)	17,962	-	17,962	23,001	27,985
Production (1000 MT)	48,523	-	48,523	44,790	49,751
MY Imports (1000 MT)	2,994	-	2,994	2,592	2,725
TY Imports (1000 MT)	3,000	-	3,000	2,706	2,508
TY Imp. from U.S. (1000 MT)	0	-	0	0	0
Total Supply (1000 MT)	69,479	-	69,479	70,383	80,461
MY Exports (1000 MT)	22,453	-	22,453	21,782	27,048
TY Exports (1000 MT)	23,000	-	23,000	21,501	26,573
Feed and Residual (1000 MT)	2,177	-	2,177	2,566	2,535
FSI Consumption (1000 MT)	28,250	-	28,250	28,073	27,877
Total Consumption (1000 MT)	30,427	-	30,427	30,639	30,412
Ending Stocks (1000 MT)	16,599	-	16,599	17,962	23,001
Total Distribution (1000 MT)	69,479	-	69,479	70,383	80,461
Yield (MT/HA)	3.20	-	3.20	2.98	3.34

Source: USDA PS&D

12 Sep 2022 USDA AMS – The 2022/23 U.S. wheat outlook for supply and use is unchanged this month. The USDA projected 2022/23 season-average farm price (SAFP) is lowered $0.25 per bushel to $9.00 on reported NASS prices to date and expectations for cash and futures prices the remainder of 2022/23. Despite the decline, $9.00 per bushel would remain a record SAFP.

WHEAT PRICES



Source: IGC
*Note on FOB prices: HRW (Hard Red Winter); SRW (Soft Red Winter); SWW (Soft White Wheat); HRS (Hard Red Spring)

United States: Following the August *WASDE* Report, U.S. quotes were mixed from the previous month, reflecting a combination of harvest pressure for the spring wheat crop and growing concerns over uncertainty regarding the continuation of the Ukraine grain corridor.

Soft Red Winter (SRW) increased $7/ton to $351 on growing international demand.

Hard Red Winter rose $5/ton to $392 as the harvest reached completion, but, looking ahead, there are concerns regarding persistent dry conditions in the Southern High Plains as winter wheat planting begins.

Hard Red Spring (HRS) fell $15 from last month to $382/ton as harvest reached 71% complete (vs. 94% a year ago), reflecting late planting in North Dakota.

Soft White Winter (SWW) bids improved $13/ton to $375.

➢ Wheat Export Prices FOB, US$/mt 13th September 2022

		13 Sep	6 Sep	Year ago	% Chg yoy
Argentina 12% (Up River)	Sep	400	400	289	38%
Australia ASW (Adelaide) c)	Sep	338	339	300	13%
Australia APW (Adelaide) c)	Sep	369	370	306	21%
Canada CWRS 13.5% (St. Law.)	Sep	385	371	358	7%
EU (France) grade 1 a)	Sep	€ 344	€ 329	€ 248	39%
EU (France) grade 1	Sep	344	326	292	17%
EU (Germany) B quality	Sep	361	344	301	20%
EU (Romania) Milling 12.5%	Sep	338	324	307	10%
Ukraine <11%	Sep	271	266	286	(5%)
Russia Milling 12.5%	Sep	318	310	308	3%
US DNS 14% (PNW)	Sep	419	379	399	5%
US No 2 HRW 11.5% (Gulf)	Sep	428	387	326	31%
US No 2 SRW (ord) (Gulf)	Sep	382	347	293	31%
US No 2 SW (PNW)	Sep	385	367	457	16%

16 Sept 2022 IGC – Increased uncertainty about Ukraine's grain exports following Russia's criticism of the Black Sea Grain Initiative underpinned world wheat export prices. According to comments from the Russian President, the country might seek to revise the terms of the four-way agreement, in order to limit the list of recipient countries for Ukrainian supplies, which also prompted fears that the deal might not be extended after the expiration in November.

Gains in US futures were led by KCBT, which received underpinning from dry planting conditions for 2023/24 winter wheat, which was estimated to be 11% complete by the 11th of September. 2022/23 spring wheat harvesting progressed to

85% complete, with reports of mostly above average yields and good quality in the key producing state of North Dakota.

Aside from speculation about Ukraine's exports, EU prices drew support from firm local demand amid tight maize supplies. While beneficial rains were noted in some regions ahead of 2023/24 planting, the availability of farm inputs remained a concern, with fertilizer cover in France assessed to be around 20 percentage points lower than a year ago.

Prices in Russia edged higher after earlier declines. Amid receding floating export taxes, port data showed some acceleration in shipments, mainly destined for Egypt, Iran and Saudi Arabia. However, at an estimated 5.3 mts, cumulative dispatches (including land routes) were some 2.6m lower y/y. According to Ag. Ministry data, 2022/23 wheat harvest yielded 90.4 mmts as of early September (79% of planted area), with one private analyst raising its forecast to a record 97.0 mmts (76.0m previous year).

Observers in Ukraine noted increased efforts to move supplies to Black Sea ports amid heightened worries about the future of the grains deal, although as activity remained focused on maize. 2023/24 winter wheat sowing got underway in both Ukraine and Russia amid mostly favorable weather, although with slower early progress noted in the latter compared to last season.

Expanding dryness remained a major concern for the 22/23 crop in Argentina, albeit the impact of recent frosts was termed to be minimal, according to the Buenos Aires Grain Exchange.

➢ CME CBOT Wheat Futures – Daily Nearby

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

***CME SRW futures Dec22 CBOT** wheat closed at $8.59¾/bu, up 14¾ cents on the day, but losing 6 cents on the week. Mar23 CBOT Wheat closed at $8.74¾, up 14¼ cents on the day.*

Wheat futures traded double digits higher on Friday, which pulled the board back to near break-even for the week. The rally was despite fears of USD further increasing in value though U.S. is largely non-competitive at present anyway. Putin suggests no change of course on the Ukraine invasion/war which did help prices a bit.

The CFTC's weekly CoT Report showed managed money funds were 20,386 contracts net short in CBT wheat as of the 13th of September. That was 1,045 contracts less net short w/o/w on reduced OI.

USDA finally dropped the curtain and reported export sales for the past three weeks, revealing relatively good wheat demand from non-traditional buyers in late August. Included in that list were: 2.4 mbus of U.S. white wheat for China, and 4.4 mbus of hard red winter to Ghana. As for this past week, wheat sales came in at 8 mbus to put year-to-date commitments at 376 mbus, which is down 2% from a year ago and 12% behind the five-year average pace.

Relative values favored buying of hard red spring, which saw 3.6 mbus in new business for the week to place sales 4% ahead of a year ago and 63% above average at 107 mbus. Hard red winter registered 3.1 mbus in sales and with 109 mb in the books, sets 27% behind a year ago and 5% behind average. Soft white saw less than 1 mbus in new business last week and with 84 mb in commitments, is setting 27% ahead of a year ago but 27% behind the average pace.

Trade has noted potentially increased import requirements in Pakistan, citing flood-induced damage to stored supplies, with worries also raised about upcoming 2023/24 winter crop planting.

Monday's WASDE report from USDA carried few changes for the US balance sheet, albeit participants noted increased forecasts for global production and carryovers in 2022/23 on the back of increased supply projections for Russia and Ukraine.

Statistics Canada placed their survey-based all-wheat stocks estimate as of the 31st of July at 3.7 mts (down 38% y/y).

➢ U.S. Export SRW Wheat Values – Friday 16th September 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	9/15/2022	9/16/2022		
SEP	60 / 70	60 / 70	Z	UNC
OCT	70 / 80	70 / 80	Z	UNC
NOV	80 / 90	80 / 90	Z	UNC
DEC	90 / 100	90 / 100	Z	UNC

Cash trade was thin for much of the week though domestic mills are still seeking OND offers at delivery value type numbers.

Gulf premiums were buoyed by ideas that a possible rail strike could interrupt interior grain movement.

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

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

***Kansas December 2022 HRW Wheat Futures** settled on Friday at $9.35¼/bu, up 9 cents on the day, and gaining 6 cents for the week.*

The CFTC's weekly CoT Report showed KC spec traders 5,905 contracts more net long after switching shorts back to longs. That left the group 16,992 contracts net long as of the 13th of September.

Spreads past the H relaxed a bit today with H/K off 1½ cents and K/N off 2¾. Still the forward curve is inverted all the way to U3 suggesting shippers continue to liquidate ownership and get conservatively short. New crop's N/U weakened 2 cents but remains a nickel inverse. Look for cash volatility to continue in a globe hungry for supplies.

Weather models don't show any widespread relief for HRW regions that will soon look to new crop seeding.

- **U.S. Export HRW Wheat Values – Friday 16th September 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	**9/15/2022**	**9/16/2022**		
SEP	145 / -	145 / -	Z	**UNC**
OCT	183 / -	183 / -	Z	**UNC**
NOV	183 / -	183 / -	Z	**UNC**
DEC	183 / -	183 / -	Z	**UNC**

Cash trade was thin for much of the week though domestic mills are still seeking OND offers at delivery value type numbers.

Gulf premiums were buoyed by ideas that a possible rail strike could interrupt interior grain movement.

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

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

***MGE December 2022 HRS Wheat Futures** settled on Friday at $9.38¾/bu, up 10 cents on the day, and gaining 11¼ cents for the week.*

The CFTC's weekly CoT Report showed the funds were 151 contracts net short in MPLS wheat, an 887 contract weaker net short through the week.

Portland Price Trends				**15th September 2022**	
	09-01-21	01-01-22	08-01-22	09-08-22	09-15-22
#1 SWW (bu)	10.85	10.70	9.00	9.10	9.45
White Club	12.85	12.45	9.00	9.60	9.55
DNS 14%	10.34	10.78	9.77	9.78	10.13
HRW 11.5%	8.69	9.81	9.76	10.13	10.49
#2 Corn (ton)	240.00	274.00	276.00	298.00	304.00
#2 Barley	240.00	240.00	235.00	235.00	240.00

The revelation of export demand for the past three weeks was good explanation for recent strength in west coast white wheat prices, as demand has been fairly strong.

Exporter bids continue to hover near the $9.50 level, and basis levels have strengthened to offset declines in Chicago futures.

The disparity between dark northern spring and hard red winter bids has also been reflected in an improved pace of demand for spring wheat.

Coarse Grains

- **Argentina corn planting stalled as 'great drought' fears rise**

15 Sept 2022 by Maximilian Heath, Reuters - Argentina's main farming zones are facing the driest conditions in around 30 years, agricultural and weather experts said, raising fears about a new "great drought" and stalling planting of corn in the world's No. 3 exporter of the grain.

The vast Pampas plains of the South American nation are hitting the start of the corn planting season after almost no rainfall in some four months. Forecasts predict more dry weather ahead with scarce showers.

Argentina is the world's top exporter of processed soy oil and meal and an important producer of corn, wheat and barley.

"This is one of the most complex situations we have seen in recent decades. We have to say that it is the worst planting scenario for corn in the last 27 years," Cristian Russo, chief agronomist at the Rosario grains exchange, told Reuters.

Russo added the exchange would likely cut its planting estimate for 2022/23 corn in its monthly report due next week. It currently predicts a planting area of 8.2 million hectares.

Germán Heinzenknecht, a meteorologist at the Applied Climatology Consultant, pointed to farming towns like Pergamino in Buenos Aires province, which had only 6 millimeters of rain in the southern winter from June-August, the lowest since 1933.

"It is serious. There are problems everywhere," said Heinzenknecht, adding that risks were rising that the country could see a repeat of the "great drought" in 2008/09, which hammered crops. "A person who wants to plant now just cannot."

In Argentina, late September usually heralds the start of a wetter spring season, but an expected third straight La Nina weather pattern is expected to limit precipitation.

Andrés Paterniti, crop analyst at the Buenos Aires grains exchange, the other main cereals body in the country, said there were "massive" delays to planting in core farming areas as well as the province of Cordoba.

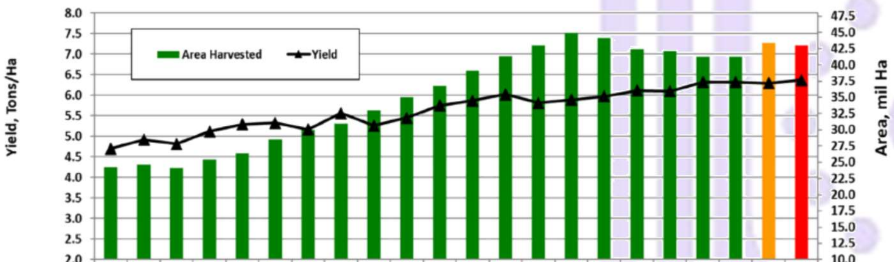
"The current scenario is discouraging," he said. Heinzenknecht added that farmers needed a miracle. The only thing that can get us out of this is something disruptive, something that no one is seeing. It's the only thing that can change the landscape, which is alarming," he said.

- **China Corn: Production Increased Due to Record Yield**

12 Sep 2022 USDA FAS – USDA forecasts China marketing year (MY) 2022/23 corn production at a record 274.0 mmts, up 3 million or 1% from last month, up 1% from last year and 5% above the 5-year average of 262.1 mmts. Yield is forecast at a record 6.37 mts/ha, up 1% from last month, up 1% from last year and 2% from the 5-year average.

Area is estimated at 43.0 million hectares (ha), unchanged from last month, but down approximately 0.3 million ha or 1% from last year. In recent years there have been marginal increases in the major production provinces of Heilongjiang, Jilin, Shandong, Henan, Inner Mongolia, and Hebei. This has been primarily attributed to incentivizing agricultural policies, such as reversing past efforts to reduce corn area, increasing crop rotation of grain crops, subsidizing corn processors and ethanol initiatives, and implementing other incentives.

China Corn Area and Yield Time Series

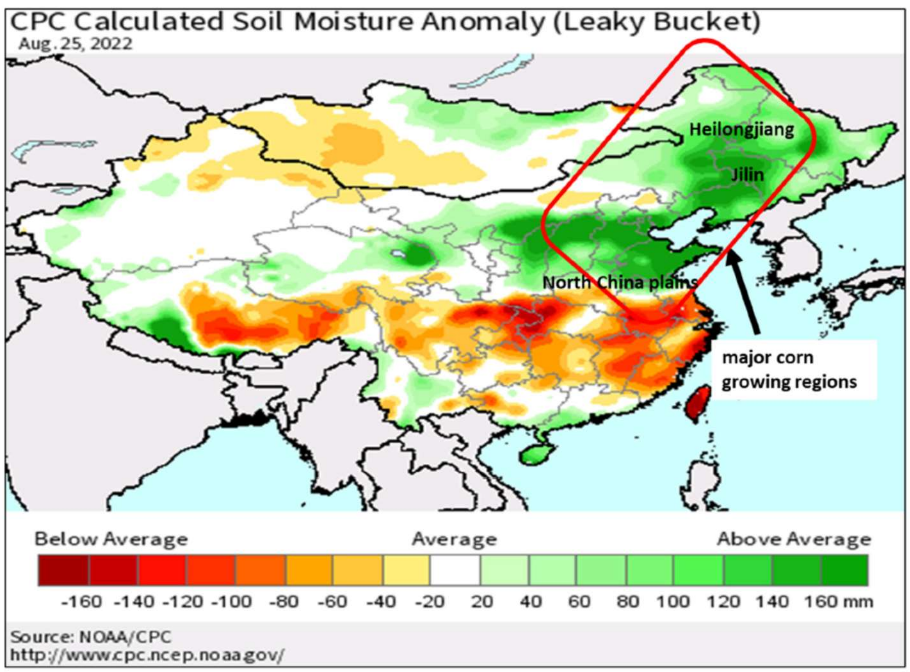


	2001 /02	2002 /03	2003 /04	2004 /05	2005 /06	2006 /07	2007 /08	2008 /09	2009 /10	2010 /11	2011 /12	2012 /13	2013 /14	2014 /15	2015 /16	2016 /17	2017 /18	2018 /19	2019 /20	2020 /21	2021 /22	2022 /23
Area Harvested	24.2	24.6	24.0	25.4	26.3	28.4	30.0	30.9	32.9	34.9	36.7	39.1	41.3	43.0	44.9	44.1	42.4	42.1	41.2	41.2	43.3	43.0
Yield	4.7	4.92	4.81	5.12	5.29	5.33	5.17	5.56	5.26	5.45	5.75	5.87	6.02	5.81	5.89	5.97	6.11	6.10	6.32	6.32	6.29	6.37

Foreign Agricultural Service
U.S. DEPARTMENT OF AGRICULTURE

Source: USDA PSD Online

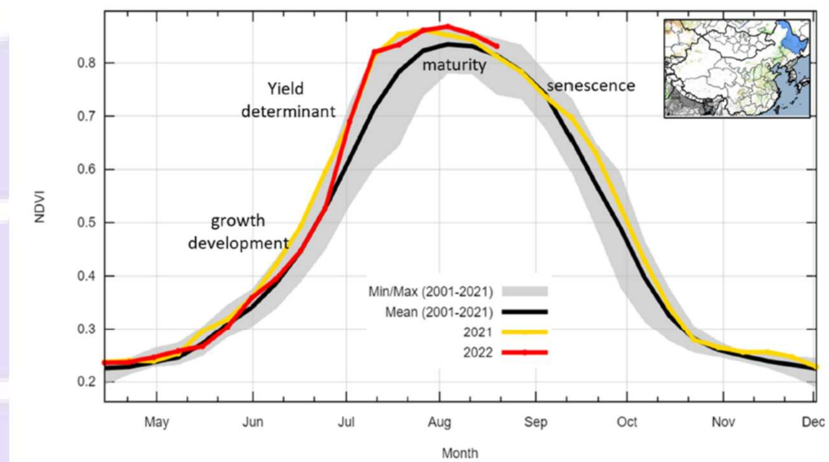
China Soil Moisture Conditions



The MY 2022/23 season has been characterized by favorable growing conditions across the major corn belt in the northeast and north central plains. In general, the Northeast Provinces of Heilongjiang, Jilin, and Inner Mongolia, where at least half of the nation's corn is produced, experienced ideal weather conditions for a significant portion of the growing season. The conditions facilitated rapid planting and crop establishment resulting in favorable corn yield expectations.

The favorable weather conditions support record yields in the Northeast Provinces of Heilongjiang, Jilin, and Inner Mongolia. In contrast, some minor corn production regions in the southeast (including Sichuan) have experienced anomalously high temperatures and dry conditions that may result in lower-than-expected yields. In sum, the major production regions have experienced favorable rainfall and soil moisture conditions throughout the season, thereby significantly offsetting low productivity in the southeast regions.

Above Average 2022 NDVI Curve in Heilongjiang Province



USDA Foreign Agricultural Service
U.S. DEPARTMENT OF AGRICULTURE

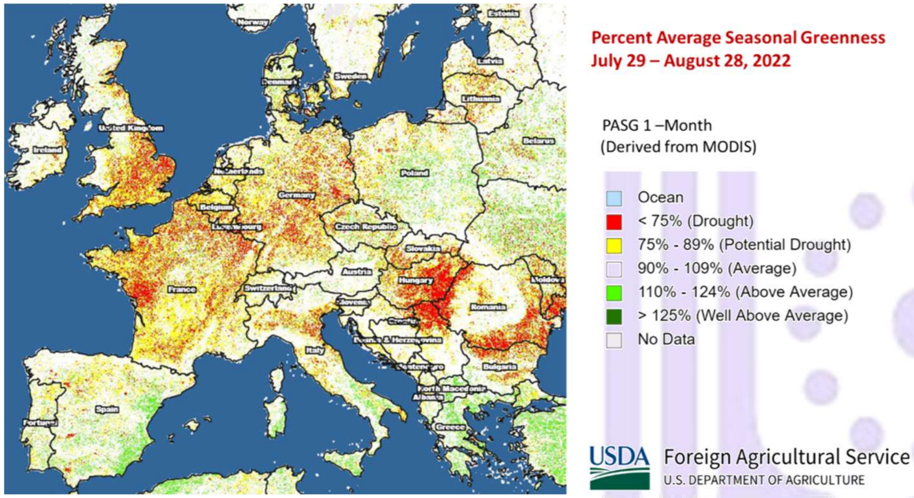
Source: USDA/NASA Global Agricultural Monitoring (GLAM)
MODIS Terra 8-day NDVI

The crop is at advanced physiological maturity stages and harvest typically starts in October. Approximately 75% of China's corn is used for feed.

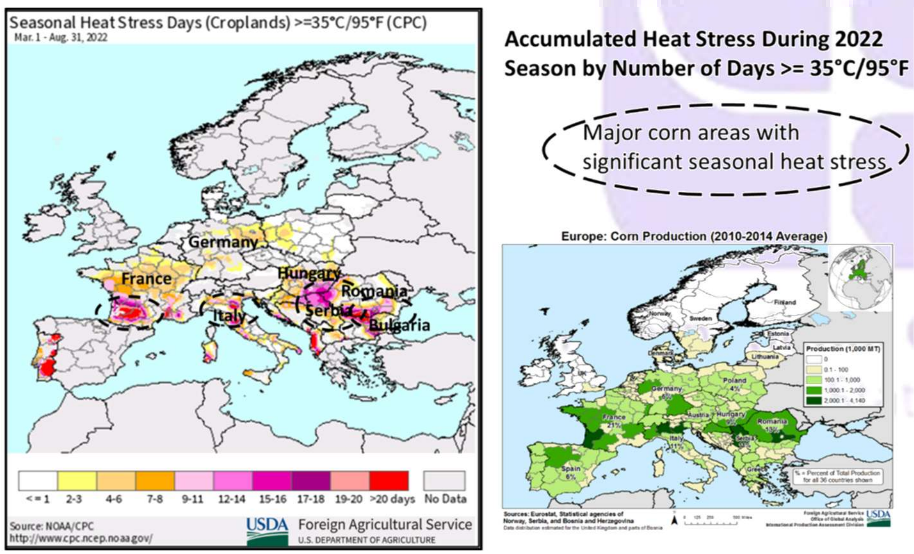
(For more information, please contact Dath.Mita@usda.gov.)

- **EU Corn: Harvest Underway with Deteriorated Yield Expectations**

12 Sep 2022 USDA FAS – European Union (EU) (MY) 2022/23 corn production is forecast at 58.8 mmts, down 1.2 mmt (2%) from last month, 12.2 mmt (17%) below last year's crop, and 11% below the 5-year average. Area is estimated at 9.0 million hectares (mha), unchanged from last month, but 0.2 mha or 3% down from last year. Yield is estimated at 6.53 tons per hectare, down 2% from last month, 15% from last year, and 14% from the 5-year average.



The corn harvest is ongoing in much of Europe and reports are confirming deteriorated yields. Extreme heat and historic drought in many of the major corn regions have created a difficult growing season for farmers. Rainfall was minimal, high temperatures dried plants and stymied kernel growth, and irrigation water was, and continues to be, restricted. The searing heat and crippling drought were constant, affecting pollination and grain-fill in July and early August. The heat also accelerated plant maturity, and, in some cases, the crop was a month ahead of normal development.



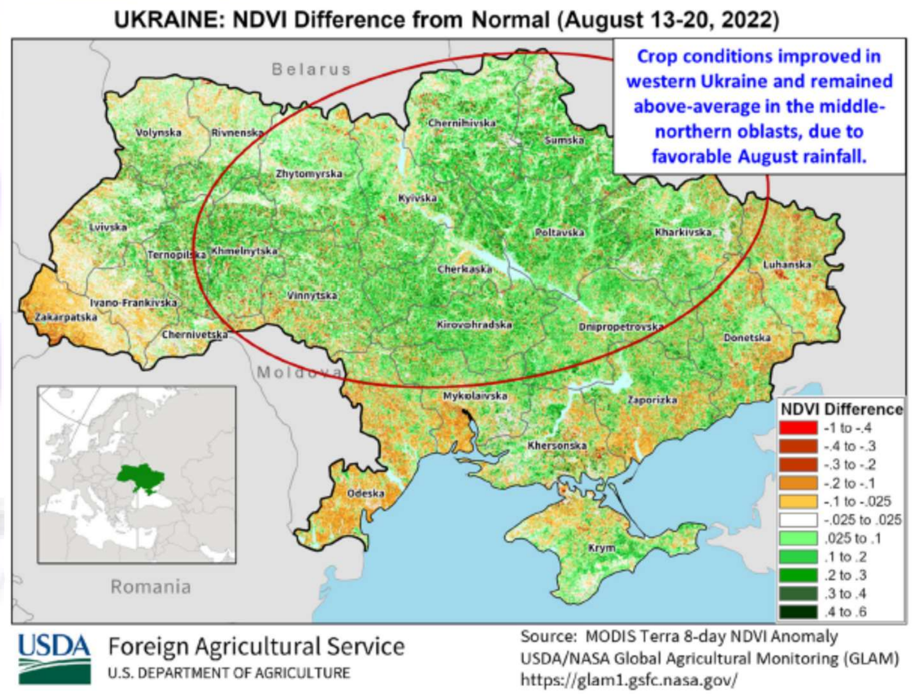
FAS/Bucharest traveled in southeastern Romania and found highly variable corn yields of 1 to 8 mts/ha. Satellite derived% of Average Seasonal Greenness imagery for August shows conditions in many corn regions to be drying down much earlier than normal.

Within the EU, the biggest reduction to corn occurred in France (the EU's largest corn producer), with a 0.4 mmts reduction. Significant reductions were also made in Romania (300 mmts), Germany (225 mmts), and in both Hungary and Poland, where each were reduced by 0.1 mmts. The combined, 1.2 mmts September EU reductions follow the much larger 8.0 mmts EU corn reduction in August.

(For more information, please contact Bryan.Purcell@usda.gov.)

- ## Ukraine Corn: Favorable August Weather Boosts Yield in the West

12 Sep 2022 USDA FAS – Ukraine corn production for marketing year 2022/23 is estimated at 31.5 million metric tons, up 5% from last month but down 25% from last year. Yield is estimated at 7.00 tons per hectare, up 5% from last month, but down 9% from last year. Harvested area is estimated at 4.5 million hectares, unchanged from last month, but down 18% from last year.



Yield is up month-to-month due to favorable rainfall and minimal heat stress days throughout August in the western corn growing regions. Crop conditions, particularly in the oblasts bordering Moldova and Romania, improved since last month. Crop conditions throughout the rest of the corn belt, circled in red on the map, remained above average. Harvest began in early September.

USDA crop production estimates for Ukraine include estimated output from Crimea and Ukrainian oblasts currently under Russian control due to the war.

(For more information, please contact Katie.McGaughey@usda.gov.)

TRADE CHANGES IN 2022/23 (1,000 MT)

Country	Commodity	Attribute	Previous	Current	Change	Reason
Australia	Sorghum	Exports	1,300	**2,100**	**800**	Larger production
Canada	Corn	Imports	2,500	**1,500**	**-1,000**	Lower exportable supplies from the United States
Ukraine	Corn	Exports	12,500	**13,000**	**500**	Based on pace of trade for the previous year
United States	Corn	Exports	61,500	**59,500**	**-2,000**	Lower production
	Sorghum	Exports	5,800	**5,000**	**-800**	
Vietnam	Corn	Imports	12,000	**11,500**	**-500**	Slowing imports in marketing year due to high prices

TRADE CHANGES IN 2021/22 (1,000 MT)

Country	Commodity	Attribute	Previous	Current	Change	Reason
Brazil	Corn	Exports	34,000	**33,000**	**-1,000**	Pace of trade
		Imports	2,500	**3,200**	**700**	Observed imports to date
European Union	Corn	Imports	16,000	**18,500**	**2,500**	Lower 2022/23 production; Pace of trade
India	Corn	Exports	3,300	**3,600**	**300**	Larger production
Pakistan	Corn	Exports	100	**400**	**300**	Larger production
Paraguay	Corn	Exports	1,800	**2,000**	**200**	Pace of trade
Peru	Corn	Imports	3,800	**3,600**	**-200**	Pace of trade
Russia	Barley	Exports	3,000	**2,800**	**-200**	Estimated pace of trade
Turkey	Corn	Imports	2,800	**3,400**	**600**	Trade to date
Ukraine	Corn	Exports	24,500	**26,000**	**1,500**	Stronger-than-expected July exports
Vietnam	Corn	Imports	10,100	**9,500**	**-600**	Observed imports; high price

➢ USDA – World Corn

Corn World as of September 2022					
Attribute	22/23 Sep'22	Change	22/23 Aug'22	21/22	20/21
Area Harvested (1000 HA)	203,158	-483(-.24%)	203,641	207,082	199,070
Beginning Stocks (1000 MT)	312,135	+296(+.09%)	311,839	292,778	307,458
Production (1000 MT)	1,172,580	-7027(-.6%)	1,179,607	1,219,755	1,129,293
MY Imports (1000 MT)	178,254	-1525(-.85%)	179,779	181,806	185,201
TY Imports (1000 MT)	178,669	-1525(-.85%)	180,194	183,968	180,141
TY Imp. from U.S. (1000 MT)	0	-	0	0	68,544
Total Supply (1000 MT)	1,662,969	-8256(-.49%)	1,671,225	1,694,339	1,621,952
MY Exports (1000 MT)	183,575	-2040(-1.1%)	185,615	203,261	182,604
TY Exports (1000 MT)	184,677	-1500(-.81%)	186,177	193,823	183,970
Feed and Residual (1000 MT)	743,049	-2965(-.4%)	746,014	746,859	724,136
FSI Consumption (1000 MT)	431,814	-1102(-.25%)	432,916	432,084	422,434
Total Consumption (1000 MT)	1,174,863	-4067(-.34%)	1,178,930	1,178,943	1,146,570
Ending Stocks (1000 MT)	304,531	-2149(-.7%)	306,680	312,135	292,778
Total Distribution (1000 MT)	1,662,969	-8256(-.49%)	1,671,225	1,694,339	1,621,952
Yield (MT/HA)	5.77	(-.35%)	5.79	5.89	5.67

Source: USDA PS&D

12 Sep 2022 USDA AMS – The September USDA WASDE Report showed 2022/23 non-U.S. coarse grain outlook is for larger production, higher trade, and increased stocks relative to last month.

Non-U.S. corn production is forecast higher with increases for China, Ukraine, Canada, and Mozambique more than offsetting reductions for the EU and Serbia. China corn production is raised as abundant rainfall in key Northeast provinces and the North China Plain boost yield prospects. Ukraine corn production is raised with an increase in yield expectations while Canada is higher based on greater indicated area. EU corn production is lowered based on reductions for France, Romania, and Germany. Foreign barley production is higher with larger production in Russia and Australia more than offsetting a decline for Syria.

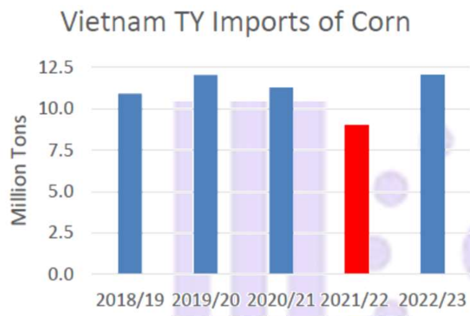
Major global coarse grain trade changes for 2022/23 include larger corn exports for Ukraine but a reduction for the United States. Corn imports are lowered for Canada and Vietnam. Foreign corn ending stocks are raised 2.2 mmts to 273.6 million, mostly reflecting increases for China and India that are partially offset by declines for Ukraine, the EU, and Thailand. World corn ending stocks at 304.5 mmts, are down 2.2 million.

Vietnam Corn Imports Lowest Since 2017/18

From 2018/19 to 2020/21, Vietnam imported over 10 mmts of corn annually, largely to meet growing domestic feed demand for swine, poultry, and aquaculture.

However, at current reduced monthly volumes, Vietnam is anticipated to import just 9.5 mmts of corn in 2021/22 – the lowest since 2017/18.

Most of this change comes from relatively low imports for the month of July 2022. Vietnam Customs reported imports of just 593,000 mts of corn – less than half the volume imported for the same month in 2021.



The key driver of reduced imports has been the record high cost of imported corn during 2021/22. The average unit value of imported corn in June 2022 was $384/mt, a 27% increase from $302/mt in June 2021. With such high and volatile corn prices, Vietnam likely reduced imports as a response.

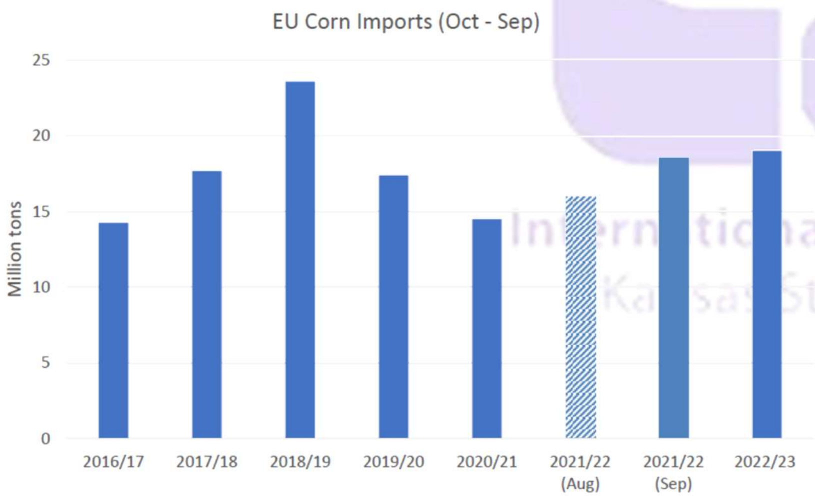
Vietnam purchased record imports of corn in 2019/20 and 2020/21 when corn was cheaper which led to nearly 2.7 mmts of corn stocks at the outset of 2021/22.

To meet demand while corn prices are high, Vietnam is now drawing down from these extensive stocks. Per FAS/Ho Chi Minh City, current local prices of corn in Vietnam are lower than world prices, supporting the notion that destocking is occurring, and possibly a domestic production response. The draw-down is extensive - Vietnam is anticipated to nearly two-thirds fewer stocks remaining in at the end of 2021/22.

The slowdown in imports appears to be temporary. Already in August 2022, corn imports reached 713,000 mts, up 300,000 mts from August 2021.

As supply chain bottlenecks ease, and Vietnamese feed demand continues to grow as recovering tourism increases restaurant demand for animal products, the likelihood of imports as low as June of 2022 diminishes.

European Union Corn Imports to Rise

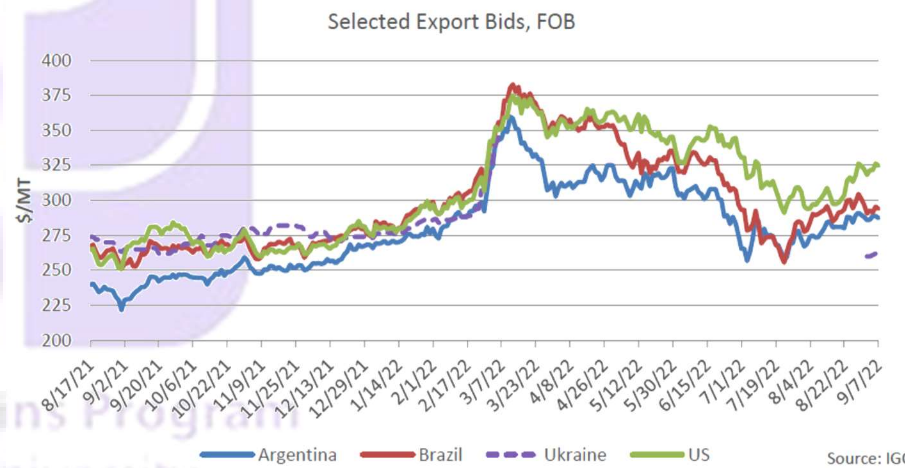


Heat and drought have negatively affected European Union (EU) corn production for 2022/23, which is forecast at 58.8 mmts, down 1.2 mmts from last month and 17% lower than last year's crop. End users appear to be preparing for lower domestic supplies by importing heavily in August and likely into September.

As a result of the accelerated pace of imports near the end of the marketing year, USDA has boosted the import forecast for 2021/22 by 2.5 mmts this month, 16% over the previous month's forecast. Of this volume, 1.0 mmts is assumed to be held in stocks to support feed use at the beginning of 2022/23. Stocks represent 11% of use which, while the highest since 2017/18, likely reflect internal market prices that favored the use of imported corn in some member states.

Per EU Customs Surveillance data, from July 2022 to present, most imports have been sourced from Brazil. Year-over-year market share and volume are up 12% and 59%, respectively, for Ukraine. This is likely a result of Ukrainian efforts to export corn via land prior to the opening of the Black Sea grain corridor. EU corn imports for 2022/23 are currently forecast at 19.0 mmts to partially fill the domestic supply gap from lower production, as well as a shift to wheat for feed use due to lower prices. There is also continued uncertainty that exists around the future of export prospects for Ukraine, a major supplier to the European Union.

CORN PRICES



Since the August WASDE, the major exporters' bids have risen. U.S. bids were up $26/mt to $325. In August, USDA trimmed the national average yield by 1.6 bushels per acre, resulting in lower production and a small cut to U.S. exports.

Brazilian bids were up just $4/mt to $294. Brazil corn exports in August were a record high of 7.6 mmts, reflecting the high level of production and strong global demand.

Argentine bids were up $13/mt to $287. Ukrainian bids were published for the first time since March and were at $261/mt. The relative discount to other exporters likely reflects the increased risk and continued uncertainty surrounding the Black Sea grain corridor.

- **Corn Export Prices FOB, US$/mt 13th September 2022**

		13 Sep	6 Sep	Year ago	% Chg yoy	
US 3YC (Gulf)	Oct	330	326	271	22%	
Argentina (Up River)	Sep	300	289	238	26%	
Brazil (Paranagua)	Oct	298	296	261	14%	
Ukraine	Sep	264	262	265	- %	

With USDA's supply outlook tighter than expected, nearby futures spiked to a near-two month high on Monday, before edging lower yesterday. While the downward revision to 2022/23 average yields was broadly in-line with pre-report predictions, USDA's 0.4mha reduction to harvested area was not widely expected. Accordingly, the US crop forecast was slashed by 10.5 mmts (-8%) m/m, to 354.2 mmts. With cuts for both feed/residual and industrial uses, forecast domestic consumption was lowered by 3.8 mmts, to 304.8 mmts (-3%), exports by 2.5 mmts, to 57.8 mmts (-8%), and carryovers by 4.3 mmts, to 31.0 mmts (- 20%).

In Ukraine, FOB (Odesa) values had a mildly firmer undertone, partly reflecting high inland transportation costs. Amid ongoing uncertainty about the future of the Black Sea Grain The 2022/23 harvest is now underway, with mostly good weather seen underpinning a number of uprated crop forecasts in recent days.

In the EU, French crop condition ratings declined further, down 2 ppts, to 43% good/excellent, sharply below the previous year's 89%. Harvesting advanced by 4ppts w/w, to 5% done. The official crop forecast was reduced by 1.1 mmts, to 11.3 mmts, potentially a 32-year low.

CORN

- **USDA – U.S. Corn**

Corn United States as of September 2022					
Attribute	22/23 Sep'22	Change	22/23 Aug'22	21/22	20/21
Area Harvested (1000 HA)	32,717	-403(-1.22%)	33,120	34,555	33,311
Beginning Stocks (1000 MT)	38,729	-127(-.33%)	38,856	31,358	48,757
Production (1000 MT)	354,192	-10535(-2.89%)	364,727	383,943	358,447
MY Imports (1000 MT)	635	-	635	635	616
TY Imports (1000 MT)	650	-	650	650	629
TY Imp. from U.S. (1000 MT)	0	-	0	0	0
Total Supply (1000 MT)	393,556	-10662(-2.64%)	404,218	415,936	407,820
MY Exports (1000 MT)	57,788	-2540(-4.21%)	60,328	62,868	69,776
TY Exports (1000 MT)	59,500	-2000(-3.25%)	61,500	63,000	68,293
Feed and Residual (1000 MT)	132,721	-2540(-1.88%)	135,261	142,247	142,319
FSI Consumption (1000 MT)	172,093	-1270(-.73%)	173,363	172,092	164,367
Total Consumption (1000 MT)	304,814	-3810(-1.23%)	308,624	314,339	306,686
Ending Stocks (1000 MT)	30,954	-4312(-12.23%)	35,266	38,729	31,358
Total Distribution (1000 MT)	393,556	-10662(-2.64%)	404,218	415,936	407,820
Yield (MT/HA)	10.83	(-1.63%)	11.01	11.11	10.76

Source: USDA PS&D

12 Sep 2022 USDA AMS – The September USDA WASDE Report showed 2022/23 U.S. corn outlook is for lower supplies, smaller feed and residual use, reduced exports and corn used for ethanol, and tighter ending stocks.

Projected US beginning stocks for 2022/23 were 5 mbus lower based on essentially offsetting export and corn used for ethanol changes for 2021/22.

Corn production for 2022/23 is forecast at 13.9 bbus, down 415 million from last month on reductions to harvested area and yield. The national average yield is forecast at 172.5 bushels per acre, down 2.9 bushels. Harvested area for grain is forecast at 80.8 million acres, down 1.0 million.

Total U.S. corn use is cut 250 mbus to 14.3 billion. Feed and residual use is lowered 100 mbus based on a smaller crop and higher expected prices. Exports are cut 100 mbus to 2.3 billion while corn used for ethanol is lowered 50 million to 5.3 billion. With supply falling more than use, ending stocks are down 169 mbus to 1.2 billion.

The USDA season-average farm corn price received by producers is raised 10 cents to $6.75 per bushel.

➢ CME CBOT Corn Futures

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

***CBOT December 2022 Corn Futures** settled on Friday at $6.77¼/bu, mostly steady on the day, and losing 8 cents for the week. Mar23 Corn closed at $6.83, up ¼ cent, May23 Corn closed at $6.83½, up ¾ cent on the day.*

Friday action in the corn market was back and forth; however, at the settle, the board was nearly unchanged with prices mixed.

Spreads ended a little weaker with Dec/Mar - ½ at -5¾ and Dec/May - ¾ at -6. The inverse continues to come out in the east as the forecast for the next 2 weeks looks hot and dry.

The weekly Commitment of Traders report showed major net new buying in corn from managed money funds during the week that ended the 13th of September. This extended their net long 14,164 contracts (6.25%) to 240,643 contracts. Commercial corn traders added 5,271 contracts of new short hedges but weakened their net short 1.6k contracts to 154.9k.

As of the 11th of September, crop ratings dipped by 1 percentage point (ppt), to 53% good/excellent, compared to the prior year's 58%, and below the 61% five-year average. The US corn harvest was estimated at 5% complete, fractionally ahead of last year's pace.

We still have a late crop but we are going to see some big dry down over the next week. As the US corn harvest picks up pace, NOAA forecasts some rain in the heartland. SW NE will get the most through the coming week with at least 1½" accumulated. IA, IL, and IN will also get over an inch of accumulated precipitation. The Southern corn belt, where harvest is more widespread, will stay mostly dry through the coming week.

➢ U.S. Export Corn Values – Friday 16th September 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 NOLA CORN	9/15/2022	9/16/2022	Del. Mo.	
SEP	120 / 130	118 / 125	Z	
OCT	111 / 117	110 / 115	Z	
NOV	107 / 112	107 / 112	Z	UNC
DEC	104 / 108	104 / 107	Z	
JAN	99 / -	99 / -	H	UNC
FEB	94 / 99	95 / 98	H	
MAR	92 / 99	92 / -	H	
APR	85 / 90	85 / 94	K	
MAY	85 / 90	85 / 94	K	
APR/MAY	85 / 90	85 / 94	K	

BRAZIL CORN @ FOB PORT PARANAGUA

	9/15/2022	9/16/2022	
OCT	55 / 65	55 / 60	Z
NOV	75 / 80	70 / 78	Z
DEC	80 / 90	80 / 87	Z
JUL	20 / 40	20 / 35	Z

The harvesting of Brazil's 2021/22 second (safrinha) crop is now virtually complete, slightly ahead y/y. Conab's production estimate was cut by 1.3 mmts, to 113.3 mmts (+30%), largely linked to a revised second (safrinha) crop figure, now placed at 86.1 mmts (+42%).

Domestic and Ethanol Corn

➢ U.S. Corn Values at Ethanol Plants– Friday 16th September 2022

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

UP Grp 3 B/E	9/15/2022	9/16/2022		
LH SEP	60 / -	60 / -	Z	UNC
LH OCT	0 / 30	0 / 30	Z	UNC
NOV/DEC	15 / 35	15 / 35	Z	UNC

MAR	25 / -	25 / -	H	**UNC**
JFM	20 / 35	20 / 35	H	**UNC**
APR/MAY	30 / 48	30 / 48	K	**UNC**
JUN/JUL	45/-	45/-	N	**UNC**

We had a wild week in ethanol margins as we exploded higher early in the week on thoughts of a possible rail strike shutting the industry down but unwound quickly yesterday and were pressured a little more today. We should see production come off in next week's EIA report as we are in peak maintenance.

USDA's weekly Ethanol Report showed corn oil prices averaged 1-3 cents within last week's quotes from 71c to 77c per pound regionally. DDGS were $5-$17/ton higher from $225 to $255/ton regionally during the week.

Grain Sorghum

➢ **USDA – World Grain Sorghum**

Sorghum World as of September 2022					
Attribute	22/23 Sep'22	Change	22/23 Aug'22	21/22	20/21
Area Harvested (1000 HA)	41,218	+183(+.45%)	41,035	41,462	42,961
Beginning Stocks (1000 MT)	4,341	-30(-.69%)	4,371	3,920	3,864
Production (1000 MT)	60,320	-64(-.11%)	60,384	62,104	62,441
MY Imports (1000 MT)	9,263	-	9,263	11,896	9,916
TY Imports (1000 MT)	9,263	-	9,263	11,906	9,954
TY Imp. from U.S. (1000 MT)	0	-	0	0	7,000
Total Supply (1000 MT)	73,924	-94(-.13%)	74,018	77,920	76,221
MY Exports (1000 MT)	9,875	+38(+.39%)	9,837	11,962	11,421
TY Exports (1000 MT)	9,722	-	9,722	12,099	10,550
Feed and Residual (1000 MT)	24,036	-	24,036	26,887	24,131
FSI Consumption (1000 MT)	36,337	-1(%)	36,338	34,730	36,749
Total Consumption (1000 MT)	60,373	-1(%)	60,374	61,617	60,880
Ending Stocks (1000 MT)	3,676	-131(-3.44%)	3,807	4,341	3,920
Total Distribution (1000 MT)	73,924	-94(-.13%)	74,018	77,920	76,221
Yield (MT/HA)	1.46	(-.68%)	1.47	1.50	1.45

Source: USDA PS&D

➢ **Kansas Sorghum harvest begins**

13 September 2022 John Duff, Kansas Farmer - Fall is my favorite season. For many, spring is the most refreshing season, but to me, the world seems as though it has been reborn each fall. The air is crisp, football is back, the holidays are just around the corner, a new harvest adventure is in full swing, and school is back in session.

This fall won't see many record harvests, but just the fact that we'll soon put this year behind us feels great, even if concerns about next year remain. I don't know many farmers for whom this hasn't been a tough year.

Sorghum Progress: As I write this, the U.S. sorghum crop is 92% headed, compared to the five-year average of 9%. Coloring is also slightly behind schedule, with 62% of the crop colored compared to the average of 67%. To no one's surprise, maturity is on track, with 28% of the crop fully matured compared to the average of 29%, and harvest is on track, as well. 20% of the crop has been harvested, compared to the average of 21%. Even though we were delayed in getting a crop in and going, this heat has pushed us to an on-time finish.

Crop conditions reflect this challenging growing environment, with the share of the sorghum crop rated either good or excellent falling from 57% this time last year, to just 21% this year. The sentiment in the countryside reflects these numbers, but we've heard a surprising number of farmers say the recent rains have helped ensure that they'll have something to harvest. It's safe to say we won't see a new national average yield record, but I have my fingers crossed that we'll fare better than we did in 2011-12. Modern crop genetics are nothing short of amazing, and this situation will be a good test of that notion (and my glass-half-full mindset).

Future Thoughts: No one needs more negativity, so I'll put a pin in the 2022 discussion and focus on the future. What should farmers be thinking about heading into 2022? First off, they need to keep in mind the forage situation. I wrote last month about sorghum forage and the opportunities that accompany it; and since then, the demand for forage has only increased with the worsening drought. It's too late in the season in most parts of the sorghum belt for a quick sorghum forage crop, but farmers can certainly be planning for next year. Forages are going to be at a premium — no doubt about that.

Planting wheat for cover right behind the combine is also an option that will hold the soil together if this drought continues into the winter. Worst case, farmers who do this will have great cover. Best case, they'll have good feed for cows in a strong forage market, or grain to harvest in a strong wheat market. And, if the drought breaks, either grain or forage sorghum can be double-cropped back next summer in many areas of the sorghum belt. There will even be new crop insurance flexibility to enable doing so in some counties in 2023. Farmers should consult with their crop insurance agents on that issue (and in all cases discussed here).

Fortunately, it's also likely that we'll continue to see strong overall commodity prices, and I'm hopeful input prices will continue to ease, as well. As always, these facts will make grain sorghum a good option headed into 2023, and we're looking for our farmers to bounce back from a rough 2022 stronger than ever!

➢ **Australian July sorghum exports eases**

15 September 2022 Liz Wells - AUSTRALIA exported of sorghum in July, according to the latest data from the Australian Bureau of Statistics. The sorghum total represents a 4% drop over the month.

SORGHUM	May	June	July	Tonnes
China	221532	174950	218998	615480
Fiji	1	0	0	1
Japan	33021	69500	21	102542
New Zealand	0	0	18075	18075
Philippines	2904	2397	3614	8915
Taiwan	2959	4336	1647	8941
Tanzania	1710	50	45	1805
TOTAL	262127	251233	242400	755760

Table 3: Australian sorghum exports for May, June and July 2022. Source: ABS

➢ U.S. Export Grain Sorghum Values – Friday 16th September 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	9/15/2022	9/16/2022	
September	na	na	UNC

TX FOB VESSEL MILO (USc/MT)	9/15/2022	9/16/2022	
October	250	300	Z
November	250	260	Z
December	250	255	Z

➢ Grain Sorghum Export Prices FOB, US$/mt 13th September 2022

		13 Sep	6 Sep	Year ago	% Chg yoy	
US (Gulf)	Oct	308	335	291	24%	
Argentina (Up River)	Sep	359	285	235	21%	
Australia (Brizbane)	Sep	301	297	268	12%	

Global sorghum prices were mostly firmer this week showing a 7% w/w gain in the US. Support was underpinned by strength in maize futures and higher Gulf export premiums – linked to a tightening supply situation.

In this month's WASDE update, US 2022/23 production forecast was cut by 0.9 mmts, to 6.4 mmts (11.4m previous year), as poorer average yields outweighed an increased area estimate.

US crop conditions worsened in the week to 11 September, to 20% good/excellent (57% year ago, 58% five-year ave.)

In the wake of a downgraded outlook for supplies, forecast exports were reduced by 0.8 mmts, to 5.0 mmts (7.4 mmts), while inventories were trimmed by 0.1 mmts, to 0.5 mmts (1.4 mmts).

BARLEY

➢ USDA – World Barley

Barley World as of September 2022					
Attribute	22/23 Sep'22	Change	22/23 Aug'22	21/22	20/21
Area Harvested (1000 HA)	47,297	-289(-.61%)	47,586	48,632	52,466
Beginning Stocks (1000 MT)	17,667	+110(+.63%)	17,557	20,869	21,802
Production (1000 MT)	147,723	+1366(+.93%)	146,357	145,401	160,861
MY Imports (1000 MT)	28,986	+15(+.05%)	28,971	31,231	36,114
TY Imports (1000 MT)	29,175	-	29,175	29,771	36,970
TY Imp. from U.S. (1000 MT)	0	-	0	0	344
Total Supply (1000 MT)	194,376	+1491(+.77%)	192,885	197,501	218,777
MY Exports (1000 MT)	29,818	-	29,818	33,051	36,270
TY Exports (1000 MT)	29,716	-	29,716	28,774	37,397
Feed and Residual (1000 MT)	101,227	+1035(+1.03%)	100,192	100,964	115,759
FSI Consumption (1000 MT)	46,082	+60(+.13%)	46,022	45,819	45,879
Total Consumption (1000 MT)	147,309	+1095(+.75%)	146,214	146,783	161,638
Ending Stocks (1000 MT)	17,249	+396(+2.35%)	16,853	17,667	20,869
Total Distribution (1000 MT)	194,376	+1491(+.77%)	192,885	197,501	218,777
Yield (MT/HA)	3.12	+(+1.3%)	3.08	2.99	3.07

Source: USDA PS&D

➢ Wheat Export Prices FOB, US$/mt 13th September 2022

		13 Sep	6 Sep	Year ago	% Chg yoy	
EU (France) Feed (Rouen)	Sep	313	292	269	16%	
Australia Feed (Adelaide)	Sep	312	313	251	24%	
Black Sea Feed	Sep	275	275	262	5%	
Argentina Feed	Sep	320	320	265	21%	
EU (France) Spring Malting	Sep	-	-	-	-	
Australia Malt (Adelaide)	Sep	325	326	259	25%	

Barley export prices slightly firmer amid underlying support in EU prices, which *advanced on spillover from wheat and worries about the future of the Black Sea Grain Initiative. While harvest reports from Russia remained sketchy, latest data confirmed this season's bumper crop, with production thus far totaling 21.7 mmts from 6.9 mha (87% of area), with yields at 3.2t/ha (+28% y/y).*

Warmer, drier weather conditions in Canada is enabling a faster harvest pace in parts of western Canada, with harvest now estimated at 54% complete done in Saskatchewan (30% week ago, 66% year ago) and 55% finished in Alberta (33%, 56%). Latest stocks data confirmed the need for a large 2022/23 harvest, with inventories as at the 31st of July, down 29% y/y, at 0.5 mmts.

	15 Sep	Daily $ Change	Annual Change	52 Week Low	52 Week High
Argentina Feed, Up River	$320	-	21 %	$265	$382
EU France Feed (Rouen)	$309	-4	10 %	$274	$451
Barley sub-Index	310	-2	14 %	269	416

Source: International Grains Council

- **Four companies believed to have made offers in Jordan barley tender**

14 Sept 2022 Reuters - Four companies are believed to have have made offers in Jordan's international tender seeking 120,000 mts of barley, traders said on Wednesday. Cargill, Viterra, Bunge and Australian Grains are participating in the Wednesday tender, traders said.

- **Australian July barley exports climb**

15 September 2022 Liz Wells - AUSTRALIA exported 94,404 mts of malting barley and 498,057 mts of feed barley in July, according to the latest data from the Australian Bureau of Statistics. The barley figures are up 80% from the June total on malting and 4% on feed.

Flexi Grain pool manager Sam Roache said July was a strong month for malting barley thanks to the return of demand from Mexico and Peru as well as Vietnam.

"The consistency of the Central and South American business is notable, and it will be interesting to watch if the Canadians can eat into this market with their improved production as we move into the Oct-Dec quarter," Mr Roache said.

MALTING	May	June	July	Tonnes
Ecuador	0	0	6000	6000
Japan	978	22637	1251	24866
Mexico	63000	0	30000	93000
Peru	0	0	15900	15900
Philippines	994	640	1381	3015
Singapore	3096	4264	2861	10221
South Korea	397	20417	397	21212
Thailand	2172	2306	882	5360
Vietnam	1566	2053	35733	39352
TOTAL	72204	52317	94404	218925

Table 1: Australian malting barley exports for May, June and July 2022. Source: ABS

As with last year, when Canada's drought fueled export Feed barley shipments were strong for a period when Australian exports typically enter the key Black Sea and EU shipping window

"Our volumes are seemingly unaffected by the harvest pressure and export competition out of the Northern Hemisphere at this stage. We do note that the Ukrainians are shipping virtually no barley so far this season, with the majority of resources being focused on corn to this point."

Russian new-crop grain shipments have been slow overall and lagging expected pace, but that is expected to change from this month.

"Despite the poor Russian shipments in July-August and flare-ups in conflict, we are beginning to see some stronger export numbers in September, and this will mean more competition for Aussie grain if pace can be sustained. The market is comfortable that Russia has the crop, and the grain is there to ship; it's a matter of when, not if."

Australia's feed barley markets continued on trend in July, with the Middle East leading the way, and Japan and Vietnam holding up the Asian side.

"Feed wheat continues to block us out of The Philippines and further Asian demand on price. Depending on the quality profile of the coming Australian crop, along with the continuing strength in global corn markets, we can see barley winning back some demand into Asia in the new-crop timeframe."

In Australia's new-crop market, Mr Roache said activity has been relatively quiet.

"Saudi buyers are standing back in front of a growing Australian production. Jordan tenders have been some of the only new-crop business we are seeing, and they are indicating a steady market over the last month or so."

Mr Roache said Australia's elevation margins for barley were behind those of wheat and other grains. "Therefore, barley does risk having a lack of export capacity allocated to it as it stands today.

FEED	May	June	July	Tonnes
Canada	29962	0	0	29962
Hong Kong	12	0	12	24
India	0	323	670	993
Japan	100332	135959	77000	313291
Jordan	32200	0	0	32200
Kuwait	123916	0	67795	191711
Macau	0	0	5	5
Malaysia	2	276	0	278
New Caledonia	198	0	197	395
New Zealand	0	0	6337	6337
Oman	11000	0	0	11000
Papua New Guinea	0	50	0	50
Philippines	14271	1721	10974	26966
Saudi Arabia	209234	266132	222718	698084
Singapore	976	2	2	980
South Korea	1550	520	713	2784
Spain	0	0	10	10
Taiwan	3694	2160	1283	7136
Thailand	0	0	20	20
United Arab Emirates	43137	9871	39322	92329
Vietnam	15146	66076	71000	152222
TOTAL	585631	483089	498057	1566778

Table 2: Australian feed barley exports for May, June and July 2022. Source: ABS

The market will respond to this, with one solve being Saudi and other Middle East buyers eventually having to pay up to draw the barley out via a higher global price, especially in the face of higher corn prices."

He said the other option was the local barley market coming under pressure via harvest selling, which will have a similar effect on margins. We suggest a bit of both will eventuate. We think harvest pressure could see some severe drops in price, especially if Saudi can manage to stay out of the market for another one or two months. Avoid it if you can."

Oats

- **USDA – World Oats**

Oats World as of September 2022					
Attribute	22/23 Sep'22	Change	22/23 Aug'22	21/22	20/21
Area Harvested (1000 HA)	9,415	-71(-.75%)	9,486	9,610	10,078
Beginning Stocks (1000 MT)	2,338	-45(-1.89%)	2,383	3,094	2,229
Production (1000 MT)	24,205	-95(-.39%)	24,300	22,544	25,723
MY Imports (1000 MT)	2,663	-66(-2.42%)	2,729	2,466	2,532
TY Imports (1000 MT)	2,592	-100(-3.71%)	2,692	2,384	2,620
TY Imp. from U.S. (1000 MT)	0	-	0	0	42
Total Supply (1000 MT)	29,206	-206(-.7%)	29,412	28,104	30,484
MY Exports (1000 MT)	2,713	-100(-3.55%)	2,813	2,536	2,768
TY Exports (1000 MT)	2,714	-100(-3.55%)	2,814	2,538	2,700
Feed and Residual (1000 MT)	16,149	-41(-.25%)	16,190	15,361	16,952
FSI Consumption (1000 MT)	7,858	-	7,858	7,869	7,670
Total Consumption (1000 MT)	24,007	-41(-.17%)	24,048	23,230	24,622
Ending Stocks (1000 MT)	2,486	-65(-2.55%)	2,551	2,338	3,094
Total Distribution (1000 MT)	29,206	-206(-.7%)	29,412	28,104	30,484
Yield (MT/HA)	2.57	+(+.39%)	2.56	2.35	2.55

Source: USDA PS&D

- **CME CBOT Oat Futures**

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

***CME September 2022 Oats Futures** settled on Friday at $3.96 3.93¼/bu, up 1 ¾ cents on the day, and gaining 3 cents for the week.*

Export Prices – (*FOB, US$/mt*)

Canada (Vancouver) Sep 308

US oats futures were up this week, mainly tracking gains in neighboring markets. In Canada, 22/23 crop harvesting in Saskatchewan progressed to 30% complete by 5 September (45% year ago).

OILSEEDS COMPLEX

Table 01: Major Oilseeds: World Supply and Distribution (Commodity View)

Million Metric Tons

	2018/19	2019/20	2020/21	2021/22	Aug 2022/23	Sep 2022/23
Production						
Oilseed, Copra	5.82	5.70	5.59	5.86	5.86	5.86
Oilseed, Cottonseed	42.97	43.55	40.77	41.71	42.85	43.18
Oilseed, Palm Kernel	19.46	19.33	19.05	20.03	20.59	20.59
Oilseed, Peanut	46.62	48.17	50.26	50.35	50.50	50.34
Oilseed, Rapeseed	72.89	69.64	73.85	73.84	82.48	83.14
Oilseed, Soybean	362.44	340.15	368.44	353.24	392.79	389.77
Oilseed, Sunflowerseed	50.66	54.20	49.27	57.13	50.93	51.95
Total	600.86	580.74	607.23	602.15	646.00	644.83
Imports						
Oilseed, Copra	0.20	0.15	0.08	0.08	0.08	0.08
Oilseed, Cottonseed	0.73	0.81	0.84	0.90	0.82	0.90
Oilseed, Palm Kernel	0.16	0.14	0.14	0.19	0.15	0.16
Oilseed, Peanut	3.53	4.34	4.31	3.86	4.18	4.26
Oilseed, Rapeseed	14.64	15.71	16.66	14.31	16.76	17.09
Oilseed, Soybean	146.02	165.12	165.49	152.73	166.22	165.02
Oilseed, Sunflowerseed	2.89	3.34	2.74	3.88	4.03	4.83
Total	168.17	189.61	190.26	175.95	192.25	192.34
Exports						
Oilseed, Copra	0.18	0.28	0.10	0.13	0.14	0.14
Oilseed, Cottonseed	0.84	0.88	0.96	1.06	0.95	1.10
Oilseed, Palm Kernel	0.07	0.08	0.06	0.03	0.05	0.05
Oilseed, Peanut	3.83	4.93	4.92	4.42	4.61	4.59
Oilseed, Rapeseed	14.68	15.98	18.11	14.60	17.88	18.01
Oilseed, Soybean	148.97	165.32	164.86	153.36	169.08	167.88
Oilseed, Sunflowerseed	3.24	3.66	2.91	3.95	4.22	4.89
Total	171.80	191.12	191.91	177.55	196.92	196.64
Crush						
Oilseed, Copra	5.83	5.56	5.52	5.71	5.72	5.72
Oilseed, Cottonseed	32.75	33.62	31.93	32.82	34.14	33.96
Oilseed, Palm Kernel	19.42	19.30	19.03	20.05	20.56	20.57
Oilseed, Peanut	18.00	19.20	19.79	20.01	20.06	20.04
Oilseed, Rapeseed	68.04	68.44	71.19	71.60	76.05	76.70
Oilseed, Soybean	298.61	312.31	315.41	313.85	327.77	327.07
Oilseed, Sunflowerseed	46.52	49.31	45.18	47.45	47.60	47.98
Total	489.17	507.73	508.05	511.49	531.88	532.03
Ending Stocks						
Oilseed, Copra	0.10	0.05	0.05	0.07	0.08	0.08
Oilseed, Cottonseed	1.87	1.67	1.48	1.28	1.25	1.36
Oilseed, Palm Kernel	0.26	0.24	0.24	0.25	0.26	0.27
Oilseed, Peanut	5.07	4.69	4.90	4.77	4.36	4.39
Oilseed, Rapeseed	9.89	7.81	6.50	4.86	6.81	7.24
Oilseed, Soybean	114.26	94.73	100.04	89.70	101.41	98.92
Oilseed, Sunflowerseed	2.57	2.92	2.45	7.56	6.56	6.74
Total	134.01	112.10	115.66	108.49	120.72	119.00

OVERVIEW 2022/23

12 Sep 2022 USDA FAS – Global 2022/23 oilseed production is forecast down to 645 mmts on lowered U.S. soybean production more than offsetting gains for Ukraine and Canada soybeans, Australia rapeseed, and Ukraine sunflower seed crops.

Oilseed trade is held mostly flat with increased sunflower seed exports from Ukraine to the European Union offsetting a decrease in U.S. soybean exports.

Global oilseed ending stocks are down nearly 2 mmts following reductions in soybean stocks in the United States and China.

Global protein meal production, trade, and consumption is little changed overall as reductions to soybeans counter increases to rapeseed and sunflower seed.

Global vegetable oil production and consumption are up marginally while trade is down slightly on lower Indonesia palm oil exports. Vegetable oil ending stocks are up on higher Indonesia palm and Canada rapeseed oil carryout.

2022/23 OUTLOOK CHANGES (All figures are in thousand metric tons)

Country	Commodity	Attribute	Previous	Current	Change	Reason
Australia	Oilseed, Rapeseed	Exports	4,500	**5,000**	**500**	Greater exportable supplies
Argentina	Oilseed, Soybean	Export	4,300	**4,700**	**400**	Export policy change
Canada	Oilseed, Rapeseed	Exports	8,800	**8,500**	**-300**	Increased competition from Australia
China	Oilseed, Soybean	Import	98,000	**97,000**	**-1000**	Reduced exportable supplies in the United States
European Union	Oilseed, Soybean	Imports	15,200	**14,800**	**-400**	Weaker demand for soy due to stronger demand for sunflowerseed from Ukraine
	Oilseed, Sunflowerseed	Imports	1,650	**2,350**	**700**	
India	Oil, Palm	Imports	8,130	**8,300**	**170**	More competitive prices spur higher market share
Indonesia	Oil, Palm	Exports	29,000	**28,500**	**-500**	In line with 2021/22 changes
Iran	Oilseed, Soybean	Imports	1,900	**2,100**	**200**	In line with 2021/22 changes
Ukraine	Oilseed, Soybean	Exports	1,300	**1,500**	**200**	Larger crop and increased shipments to the EU
	Oilseed, Sunflowerseed	Exports	1,250	**1,950**	**700**	
United States	Oilseed, Soybean	Export	58,649	**56,744**	**-1905**	Smaller crop and reduced exportable supplies

OVERVIEW 2021/22

12 Sep 2022 USDA FAS – Global 2021/22 oilseed production is up slightly to 602 mmts, predominantly on higher Canada and Australia rapeseed crops.

Oilseed trade is up marginally on higher Uruguay soybean and Australia rapeseed exports. Ending stocks are down on lower soybean stocks in the EU and Brazil.

Global protein meal trade is up marginally as higher Paraguay and Brazil soybean meal exports more than offset lower Argentina soybean meal trade. Global vegetable oil trade is down primarily on lower Indonesia and Malaysia palm oil exports.

2021/22 OUTLOOK CHANGES (All figures are in thousand metric tons)

Country	Commodity	Attribute	Previous	Current	Change	Reason
Argentina	Meal, Soybean	Exports	28,400	**28,200**	**-200**	Trade pace
Australia	Oilseed, Rapeseed	Exports	5,000	**5,300**	**300**	Trade pace, larger exportable supplies
Bolivia	Oilseed, Soybean	Exports	350	**500**	**150**	Strong exports to Argentina
Brazil	Meal, Soybean	Exports	19,000	**19,400**	**400**	Higher crush and strong trade pace
European Union	Oilseed, Soybean	Imports	14,600	**13,600**	**-1,000**	Official data revisions to trade, weaker demand for soy following stronger crush for other oilseeds
India	Oil, Soybean	Imports	3,900	**4,100**	**200**	Large imports in July
	Oil, Sunflowerseed	Imports	1,500	**1,800**	**300**	More imports from Argentina and Russia
Indonesia	Oil, Palm	Exports	23,500	**23,150**	**-350**	Weak exports after repealing the export ban
Iran	Oilseed, Soybean	Imports	2,025	**2,300**	**275**	Trade pace
Paraguay	Meal, Soybean	Exports	950	**1,150**	**200**	Trade pace
	Oilseed, Soybean	Exports	2,900	**2,500**	**-400**	Lower exportable supplies on higher crush
Ukraine	Oilseed, Soybean	Exports	1,200	**1,400**	**200**	Trade pace
	Oilseed, Sunflowerseed	Exports	1,800	**1,640**	**-160**	Trade pace
Uruguay	Oilseed, Soybean	Exports	1,950	**2,400**	**450**	Strong exports to Argentina
United States	Oilseed, Soybean	Export	58,786	**58,377**	**-409**	Trade pace

SOYBEANS

- **USDA – World Soybean**

Oilseed, Soybean World as of September 2022					
Attribute	22/23 Sep'22	Change	22/23 Aug'22	21/22	20/21
Area Harvested (1000 HA)	134,562	+80(+.06%)	134,482	130,422	128,655
Beginning Stocks (1000 MT)	89,700	-25(-.03%)	89,725	100,044	94,728
Production (1000 MT)	389,765	-3027(-.77%)	392,792	353,244	368,444
MY Imports (1000 MT)	165,020	-1200(-.72%)	166,220	152,732	165,493
Total Supply (1000 MT)	644,485	-4252(-.66%)	648,737	606,020	628,665
MY Exports (1000 MT)	167,880	-1201(-.71%)	169,081	153,362	164,861
Crush (1000 MT)	327,073	-694(-.21%)	327,767	313,851	315,407
Food Use Dom. Cons. (1000 MT)	22,530	-	22,530	21,788	21,676
Feed Waste Dom. Cons. (1000 MT)	28,080	+133(+.48%)	27,947	27,319	26,677
Total Dom. Cons. (1000 MT)	377,683	-561(-.15%)	378,244	362,958	363,760
Ending Stocks (1000 MT)	98,922	-2490(-2.46%)	101,412	89,700	100,044
Total Distribution (1000 MT)	644,485	-4252(-.66%)	648,737	606,020	628,665
Yield (MT/HA)	2.90	(-.68%)	2.92	2.71	2.86

Source: USDA PS&D

12 Sep 2022 USDA AMS – The September USDA WASDE Report showed non-U.S. 2022/23 oilseed production is increased 2.8 mmts to 516.3 million mainly on higher sunflower seed and soybean production for Ukraine and higher rapeseed production for Australia.

Ukraine's sunflower seed production is raised 1.0 mmts to 10.5 million due to favorable August rainfall. Ukraine's soybean production is raised on higher area.

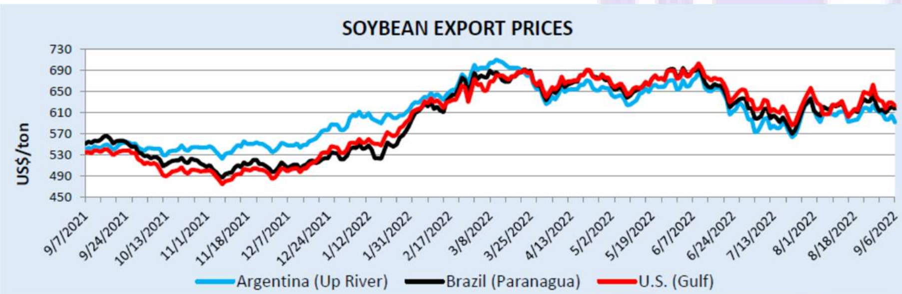
Rapeseed production for Australia is raised on recent beneficial rainfall improving yield prospects.

Higher exports of sunflower seed and rapeseed from Ukraine and Australia are in line with higher EU imports. EU soybean imports are lowered with higher supplies of other oilseeds.

China soybean imports for 2022/23 are lowered 1.0 mmts to 97 million.

Global soybean ending stocks at 98.9 mmts are down 2.5 million mainly on lower U.S. and China stocks.

EXPORT PRICES



August 2022 Soybean Export Prices

	U.S.	Argentina	Brazil
August Average Price	$627/ton	$607/ton	$620/ton
Change vs. July	+ $8/ton	+$16/ton	+$16/ton

Source: International Grains Council. All prices are FOB: U.S. Gulf, Argentina Up River, and Brazil Paranagua.

Average soybean prices for major exporters were up slightly in August compared to the previous month.

Weather uncertainty in the Western Hemisphere, the strengthening of the U.S. dollar to a 20-year high, and purchases by China all contributed to price support in August.

➢ USDA – U.S. Soybeans

Oilseed, Soybean United States as of September 2022					
Attribute	22/23 Sep'22	Change	22/23 Aug'22	21/22	20/21
Area Harvested (1000 HA)	35,058	-235(-.67%)	35,293	34,937	33,428
Beginning Stocks (1000 MT)	6,530	+408(+6.66%)	6,122	6,994	14,276
Production (1000 MT)	119,155	-4147(-3.36%)	123,302	120,707	114,749
MY Imports (1000 MT)	408	-	408	408	539
Total Supply (1000 MT)	126,093	-3739(-2.88%)	129,832	128,109	129,564
MY Exports (1000 MT)	56,744	-1905(-3.25%)	58,649	58,377	61,665
Crush (1000 MT)	60,555	-544(-.89%)	61,099	60,010	58,257
Food Use Dom. Cons. (1000 MT)	0	-	0	0	0
Feed Waste Dom. Cons. (1000 MT)	3,354	-67(-1.96%)	3,421	3,192	2,648
Total Dom. Cons. (1000 MT)	63,909	-611(-.95%)	64,520	63,202	60,905
Ending Stocks (1000 MT)	5,440	-1223(-18.36%)	6,663	6,530	6,994
Total Distribution (1000 MT)	126,093	-3739(-2.88%)	129,832	128,109	129,564
Yield (MT/HA)	3.40	(-2.58%)	3.49	3.45	3.43

Source: USDA PS&D

12 Sep 2022 USDA FAS – The September USDA WASDE Report showed U.S. soybean supply and use changes for 2022/23 included higher beginning stocks and lower production, crush, exports, and ending stocks.

Higher beginning stocks reflect a lower export forecast for 2021/22.

Soybean production is projected at 4.4 bbus, down 152 million with lower harvested area and yield. Harvested area is down 0.6 million from the August forecast. The soybean yield forecast of 50.5 bushels per acre is down 1.4 bushels from last month.

The crush forecast for the US was reduced 20 mbus and the soybean export forecast is reduced 70 mbus on lower supplies.

Ending stocks are projected at 200 mbus, down 45 million from last month.

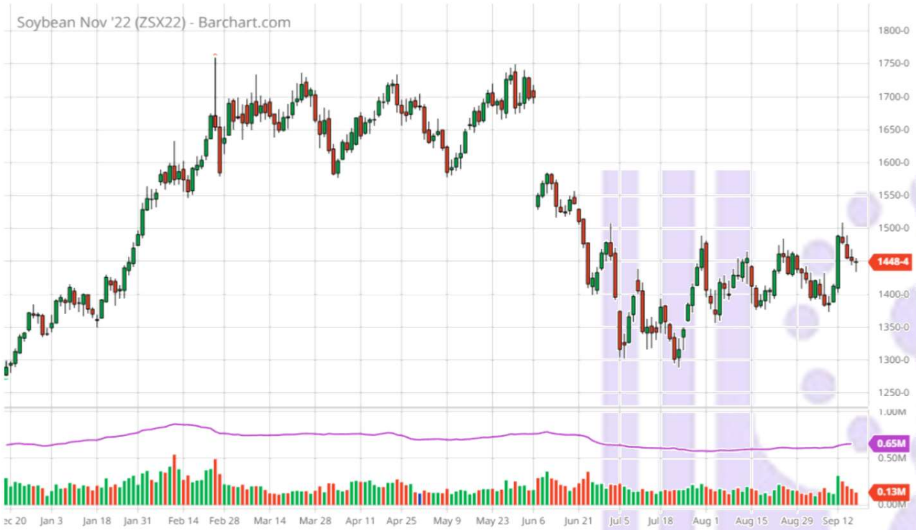
Other changes this month include lower peanut and higher cottonseed production.

The USDA season-average farm soybean price is forecast at $14.35 per bushel, unchanged from last month.

Soybean meal and oil prices are also unchanged at $390 per short ton and 69.0 cents per pound, respectively.

➢ CME CBOT Soybeans Futures

On Monday, gains were extended on supportive from a bullish USDA WASDE report, linked to a larger than anticipated cut to US production expectations in 2022/23, pegged 4.1 mmts lower m/o/m, at 119.2 mmts (120.7 mmts previous year). With US domestic use was trimmed by 0.6 mmts, to 63.9 mmts (63.2 mmts), and exports downgraded by 1.9 mmts, to 56.7 mmts (58.4 mmts), ending stocks scaled back by 1.2 mmts, to 5.4 mmts (6.5 mmts), the lowest in seven seasons and significantly below the recent average.



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

November soybeans closed lower for the fourth day in a row on Friday as they tried to work lower a few times, but ultimately went home with losses contained to just 3 cents. November stayed in a 21 cent range during the day. Jan23 Soybeans closed at $14.55¼, down 2¾ cents, while Mar23 Soybeans closed at $14.56, down 2¼ cents,

Friday trading in the products led meal $4.90 to $7.10 lower and BO triple digits higher. For the week October soymeal was 3.6% higher and soybean oil was up 3%.

The CoT report showed soybean spec traders were net buyers during the week that ended the 13th of September. That increased their net long 12,498 contracts (12.5%) to 112,127 contracts. Commercial soybean hedgers increased their open interest 41,317 contracts (7%) during the week. That extended their net short by 6.8k contracts to 140,469.

On the week, the interior export basis broke meaningfully partly because of Argie selling beans into export market, partly because a good progress with the Delta harvest. The bean basis breaking right before harvest is a good thing, right? This is what the warehousing industry should want!

The LH Nov interior IWDS basis is 8c under delivery so should that basis not firm to delivery we should expect deliveries and spreads to widen out over money costs. The SX/SF closed at -6¾, down 1½ for the week. Double that and interest will be covered if using 5¾% money on a $14.50 commodity.

Warm weather bringing the crop along and we should see gut slot bean harvest across the entire country in two weeks.

- **U.S. Export Soy Values – Friday 16th September 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	9/15/2022	9/16/2022	
SEP	160 /	160 / -	X
OCT	115 / 128	115 / -	X
NOV	114 / 124	114 / -	X
DEC	-	109 / -	F
JAN	-	108 / 115	F
FEB	-	100 / -	F
MAR	-	100 / -	H
FEB/MAR	-	100 / -	H

BRAZIL FOB BEANS @ PORT PARANAGUA

	9/15/2022	9/16/2022		
SEP	190 / 210	190 / 210	X	UNC
OCT	190 / 200	195 / 210	X	
NOV	120 / 140	150 / 200	X	
FEB	63 / 69	64 / 75	F	
MAR	36 / 42	40 / 42	H	
APR	31 / 38	36 / 38	H	
MAY	34 / 42	38 / 43	K	
JUN	50 / 60	51 / 60	N	
JUL	50 / 60	51 / 60	N	

Export Prices – (*FOB, US$/mt*)

U.S., FOB Gulf	$606.00/mt
U.S., FOB PNW	$636.50/mt
Brazil, FOB	$614.50/mt
Argentina, FOB Upriver	$576.25/mt

After initial declines following improved global supplies and firm competition from Argentine exporters, the market moved higher heading into the weekend on technical buying and positioning ahead of USDA's supply and demand update.

Concerns about some quality issues in southern areas added to the positive tone, as did news of fresh export sales.

In Brazil, Conab uprated its 2021/22 soyabean production estimate slightly, to 125.6 mmts (139.4 mmts previous year), also raising its outlook for exports by 2.0 mmts, to 77.2 mmts (86.1 mmts). In contrast, further underscoring a solid export performance during the current season, the outlook for soyameal shipments was lifted to a record of 18.9 mmts (17.2 mmts). Soya oil dispatches were also predicted to post a solid y/oy gain, to 2.1 mmts (1.7 mmts).

Looking ahead to 22/23, AgRural noted that soyabean planting was underway in southwest and western areas of Parana amid good humidity levels.

China's Ag. Ministry maintained its projections for soyabean supply and demand in 22/23, with imports seen rising to 95.2 mmts (+5% y/o/y) amid expectations for growth in local consumption, to 112.9 mmts (+5%). China has been buying Argentine beans after Argentina created a soy dollar exchange rate to encourage farmer sales.

- **Brazil soybean exports hit 1.7 mmts in September's first weeks**

12 September 2022 - Brazil's soybean exports reached 1.7 mmts in the first two weeks of September, data from the country's customs office showed Monday.

In the last week of August, the country shipped 1.9 mmts of soybean.

In 2021, September soybean shipments reached 4.8 mmts.

Average exports were reported at 297,169 mt per working day, a 29.3% increase from the 229,865 mt average from September 2021 and ahead of the 267,884 mt per working day average reported in the last week of August.

Brazil is expected to export 3.9 mmts of soybeans in September, the country's grains exporters association ANEC forecast last week.

- **China secures 10 more soybean cargoes from Argentina**

14 September 2022 - China-based traders have bought another ten cargoes of Argentinian soybeans, trade sources said Wednesday, continuing an arbitrage opportunity that has already seen some 20 cargoes booked by the world's largest soybean importer last week.

Strong trading activity has marked the Argentine market in recent days, after the government relaunched a foreign exchange-based incentive designed to encourage farmers to sell soybeans.

A total of 5.7 mmts of Argentine soybeans have been sold since the start of the implementation of the new 'soy dollar' on September 5, with new soybean sales estimated at 2.87 mmts, according to data from the Rosario Grain Exchange (BCR).

"The prices of Argentine soybeans are very cheap currently... China's buying pace was too slow before, and now starts to speed up," a Chinese analyst indicated.

The price levels for the latest purchase were below 290 c/bu over November futures on a CFR basis, with some at 287-288 c/bu, significantly lower than 385 c/bu for Brazilian soybeans and 365 c/bu for the US Gulf.

"Cargos sold to China are a combination of greater liquidity in Argentina due to the sale of the producer, improvement in crush margins in China and a delay in the entry of North American soybeans," an Argentina trade source said.

The soy dollar has incentivized soybean farmers to sell beans now, as the current scheme ends at the end of September, but rumors of a potential extension of the scheme have started circulating in the market.

However, Argentine officials have denied an extension to the 'soy dollar' and has asked market participants not to feed 'fake news' as rumors start to gain ground.

"As we said from day one, the exchange rate regime adopted this month is transitory and will not be extended… Let's not feed fake news that does not contribute anything to the work we have been doing for the growth of the economy and the productive sectors," Juan Jose Bahillo, Agriculture Secretary, said on his social media account.

- **China's weekly soybean stocks drop; stable crushing, lowered imports**

15 September 2022 - Chinese soybean stock declined noticeably last week, as crushing remained at a high level while imported soybeans arrived slowly, according to data from the National Grain and Oil Information Centre (CNGOIC).

The stock level dropped 790,000 mts week-on-week to 4.96 mmts, down 650,000 mts from the previous month and 1.86 mmts from the level recorded a year ago.

"Domestic soybean crush remained at high levels of above 1.90 mmts last week and the arrival of imported soybeans reduced, so soybean stocks have declined significantly," said CNGOIC. "Soybean crush is expected to fall slightly (this week). However, stocks are expected to decline further due to low soybean arrivals," the agency added.

The official agency did not report the weekly exact crushing rate, while private agency Myagri.com assessed the level at 1.96 mmts by September 9th, unchanged from CNGOIC's record a week earlier.

Soymeal stocks fell for a seventh consecutive week to 510,000 mts on a higher procurement pace from feed companies, down 150,000 mts from the prior week and 320,000 mts lower than the same point of last year.

Similarly, soyoil inventories in China's major oil plants dropped 20,000 mts from a week ago to 740,000 mts on improved demand from downstream companies, down 30,000 mts from the previous month and 120,000 mts from a year earlier.

- **Clearance rate rebounds to 24% in China's imported soybean auction**

16 September 2022 - China sold 119,300 mts of soybeans out of around 500,000 mts offered in the twenty-sixth imported soybean auction held by the National Grain Trade Centre (NGTC) Friday.

The auction had a clearance rate of 24.19%, rebounding noticeably from the level of 3.01% recorded in the previous auction, according to local media.

The average auction price was at CNY 5,490/mt ($782.60/mt or $21.30/bushel), with the highest price at CNY 5,550/mt ($791/mt) and the lowest at CNY 5,430/mt ($774/mt). China has auctioned off 2.75 mmts of imported soybeans out of a total of 12.85 mmts offered.

- **EU soybean imports by Sept 11th at 2.36 mmts, rapeseed 1.16 mmts**

14 Sept 2022 Reuters - European Union soybean imports in the 2022/23 season that started on July 1st had reached 2.36 mmts by September 11th data published by the European Commission showed on Wednesday.

However, the Commission said the data, which was delayed from Tuesday due to a technical issue, may be incomplete.

Soybean imports so far this season compared with 2.65 mmts by the same week in the previous 2021/22 season, the data showed. EU rapeseed imports had reached 1.16 mmts, compared with 830,570 mts a year earlier.

Soymeal imports over the same period totaled 3.04 mmts against 3.26 mmts the prior season, while palm oil imports stood at 676,596 mts versus 1.22 mmts in 2021/22.

EU sunflower oil imports, most of which usually come from Ukraine, were at 327,722 mts, against 299,889 mts a year earlier, the data showed.

CANOLA / RAPESEED

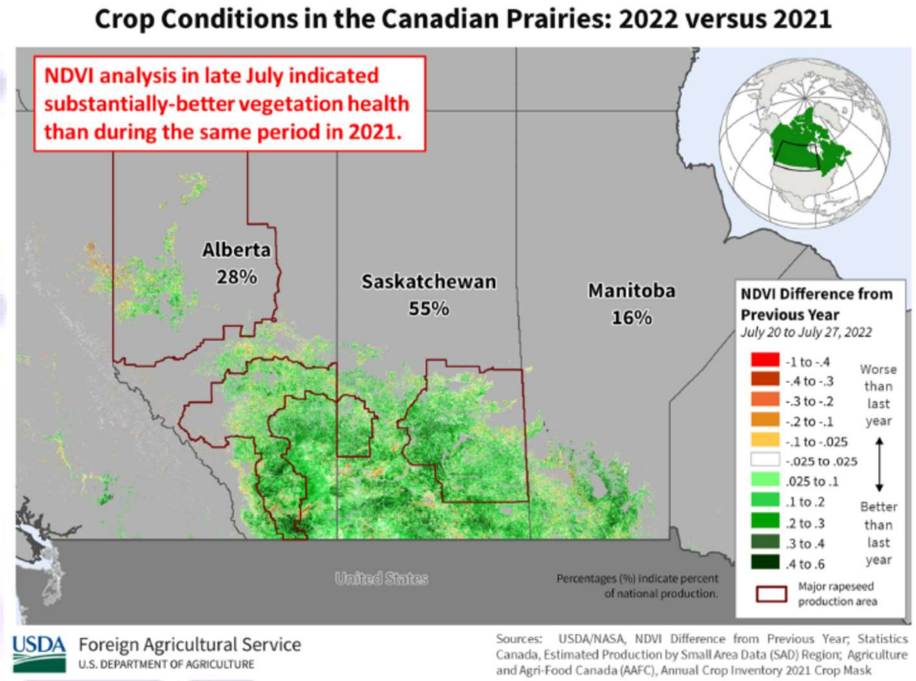
- **USDA – World Rapeseed**

Oilseed, Rapeseed World as of September 2022					
Attribute	22/23 Sep'22	Change	22/23 Aug'22	21/22	20/21
Area Harvested (1000 HA)	39,900	+88(+.22%)	39,812	37,808	34,891
Beginning Stocks (1000 MT)	4,857	+233(+5.04%)	4,624	6,497	7,806
Production (1000 MT)	83,144	+664(+.81%)	82,480	73,836	73,851
MY Imports (1000 MT)	17,090	+330(+1.97%)	16,760	14,306	16,662
Total Supply (1000 MT)	105,091	+1227(+1.18%)	103,864	94,639	98,319
MY Exports (1000 MT)	18,007	+132(+.74%)	17,875	14,601	18,106
Crush (1000 MT)	76,704	+656(+.86%)	76,048	71,597	71,194
Food Use Dom. Cons. (1000 MT)	650	-	650	650	650
Feed Waste Dom. Cons. (1000 MT)	2,491	+11(+.44%)	2,480	2,934	1,872
Total Dom. Cons. (1000 MT)	79,845	+667(+.84%)	79,178	75,181	73,716
Ending Stocks (1000 MT)	7,239	+428(+6.28%)	6,811	4,857	6,497
Total Distribution (1000 MT)	105,091	+1227(+1.18%)	103,864	94,639	98,319
Yield (MT/HA)	2.08	+(+.48%)	2.07	1.95	2.12

Source: USDA PS&D

- **Canada Rapeseed: Production Up 45% from Last Year**

12 Sep 2022 USDA FAS – USDA estimates Canada rapeseed production for marketing year (MY) 2022/23 at 20.0 mmts, unchanged from last month, but up 45% from last year and 5% above the 5-year average. Harvested area is estimated at 8.6 million hectares, unchanged from last month, but down 4% from last year, and 3% below the 5-year average. Yield is estimated at 2.33 metric mts/ha(t/ha), up 51% from last year when the Prairies experienced historic drought.



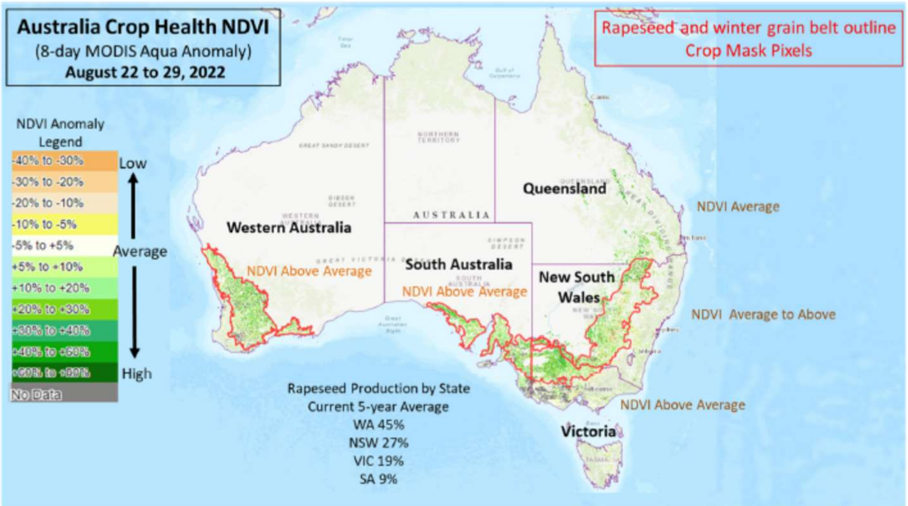
Crop conditions are substantially improved over last year in the Prairies, and average to near-average yields are anticipated for field crops in the region. USDA estimates the rapeseed yield to be near average (approximately 2.32 mts/ha) when omitting the yield from last year's drought ravaged crop as an outlier.

The satellite-derived Normalized Difference Vegetation Index (NDVI) indicates rapeseed crop conditions to be above-average, particularly during the critical reproductive stages throughout July. The NDVI time series graph suggests conditions similar to MY 2020/21, where yield reached 2.34 mts/ha.

Planting and crop progress delays were widespread during the early part of the season, tempering overall yield potential. However, crop conditions rapidly improved in late June and throughout July, as rainfall and/or warm temperatures arrived where needed. Harvest has begun in all three Prairie provinces and is expected to continue through October.

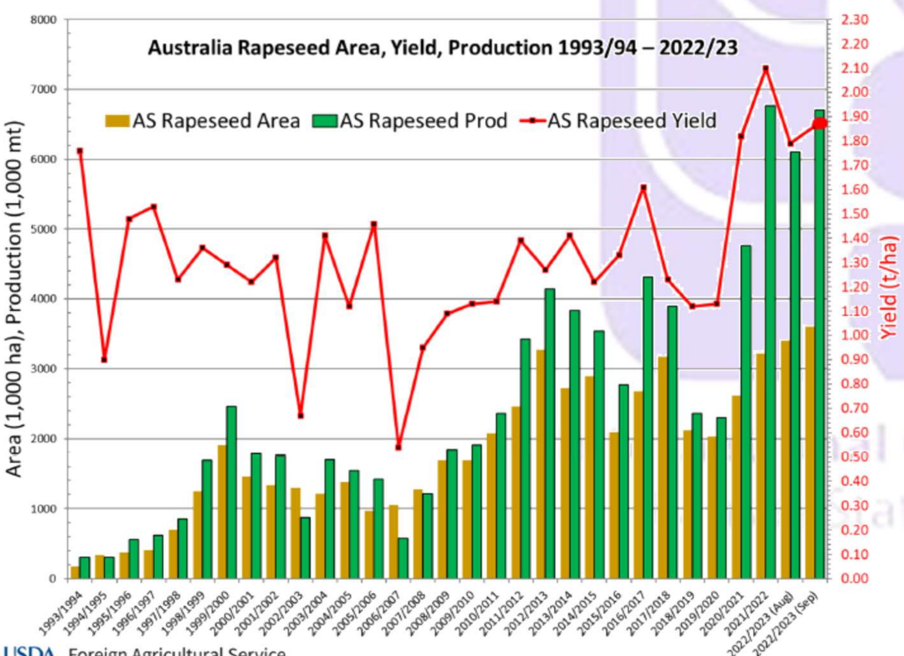
(For more information, please contact Aaron.Mulhollen@usda.gov.)

➢ Australia Rapeseed: Production Near Record



Source: MODIS 8-day NDVI Anomaly Composite (NASA GIMMS), GeoCover LandCover 2010 Agricultural Mask

USDA Foreign Agricultural Service
U.S. DEPARTMENT OF AGRICULTURE

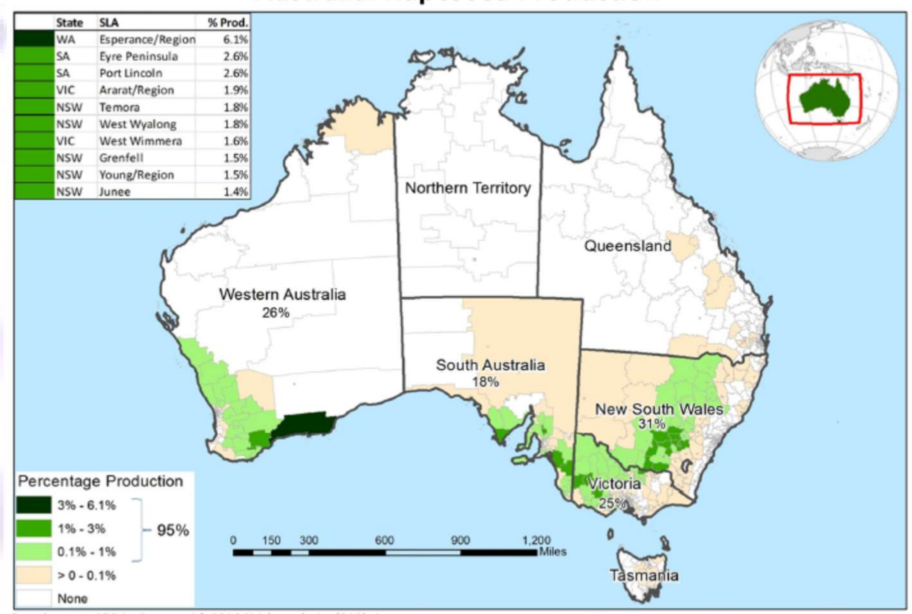


Source: USDA PSD Online

12 Sep 2022 USDA FAS – USDA forecasts Australia rapeseed production for marketing year (MY) 2022/23 at 6.7 mmts, up 0.6 mmts or 10% from last month, but down 62,000 metric tons or less than 1% from last year's record. Yield is forecast at 1.86 mts/ha, up 4% from last month, but down 12% from last year.

Strong prices supported a record harvested area of 3.6 million hectares and is estimated 12% over last season. Above-average rainfall prior to sowing in the two largest producing states of Western Australia and New South Wales provided beneficial soil moisture for planting and throughout germination. Favorable seasonal conditions followed across much of the grain growing regions of Australia. Rapeseed sowing commenced in April and continued into June. Rapeseed is entering the critical flowering crop stage with favorable soil moisture. Harvesting will commence in November and will conclude in December.

Australia: Rapeseed Production



Data Sources: ABS Ag Census with 2016 SLA boundaries (SA2), Average percent production of MY 2005/06, MY 2010/11, and MY 2015/16; Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES)

USDA Foreign Agricultural Service
U.S. DEPARTMENT OF AGRICULTURE

Rapeseed production is distributed across the four main agricultural producing states. Western Australia produces the largest portion of Australia's rapeseed with 45% (5-year average) and the remaining production is split among New South Wales (27%), Victoria (19%) and South Australia (9%).

(For more information, please contact James.Crutchfield@usda.gov.)

➢ Canola crush margins reach 'staggering' levels

16 September 2022 by Sean Pratt - Canola crush margins are leaving one analyst at a loss for words. "They have soared up to levels that are just beyond anybody's description," said Ken Ball, commodities futures adviser with PI Financial Corp. "I have run out of adjectives to describe them."

His crush index hit $325/mt yesterday, representing a gross margin of $7.37/bu. "In the U.S., a $1.50 per bu. margin for beans is considered fantasyland," he said.

You might expect to see those kinds of "staggering" margins if Canadian farmers were harvesting a bumper crop of 22 mmts of canola or something like that, but that is not the case.

Statistics Canada forecasts 19.1 mmts. Ball thinks it will be sub-19 mmts because most farmers he talks to say yields are coming in a few bushels per acre lower than anticipated.

"The balancing factor is that Australia seems to be on their way to another whopper canola crop," he said.

The Australian government forecasts 5.5 mmts of production, down from last year's record-shattering 6.3 mmts.

"The chatter that I'm hearing from Australia is this one might be 7.5 mmts," said Ball. That could keep a lid on canola prices. On the other hand, it is only a matter of time before the crush margin pendulum swings, which could mean rising canola values.

The formula for calculating the margin essentially compares soybean oil futures prices to canola futures prices. Soybean oil is used as a proxy for canola oil because there is no canola oil futures market.

For the margin to shrink to a more normal level, it means that either soybean oil prices must fall or canola prices need to rise.

Ball thinks it is more likely to be the former than the latter, although soybean oil prices are showing no signs of slumping. Canola is "dirt cheap" compared to soybean oil, despite trading in the $17 to $18 per bu. range.

"That's a fantastic price, but it probably could be $19 or $19.50 quite easily," he said. "I'm not sure why that is. It's mysteriously cheap."

One factor supporting continued strong crush margins is that China is expected to return as a major buyer of canola oil in 2022-23, according to the USDA. It is forecasting that the country will buy 2.42 mmts of the commodity, up from 1.15 mmts in the crop year that just ended.

The country's overall vegetable oil purchases were way down last year due to several factors including COVID-related restrictions and slowing economic growth. But there was one factor that trumped all others.

"High global vegetable oil prices in 2021-22 were the key factor leading to a 40% decline in China's vegetable oil imports," stated the USDA in its Oilseeds: World Markets and Trade report.

Imports declined by more than five mmts compared to a year earlier, with the biggest cuts coming from palm oil (two mmts), rapeseed/canola oil (1.2 mmts) and sunflower oil (1.1 mmts).

Imports of sunflower oil remain sluggish due to the war in Ukraine disrupting shipments, but purchases of other vegetable oils are expected to recover this year.

China is by far the world's leading canola oil importer. The only other buyer that comes close is the European Union, which is forecast to buy 500,000 mts this year.

Ball said it makes sense that China will buy a lot of canola oil because the country likely depleted its vegetable oil reserves last year and needs to replenish them.

Also, the country has strict limits on dockage on canola seed shipments, so importers are likely switching to oil. That would support Canadian crush margins.

➢ ICE Canadian Canola Futures – Daily Nearby

Source: https://www.barchart.com/futures/quotes/RSX22/interactive-chart

***ICE Nov 2022 Canola Futures** settled on Friday at C$792.50 771.200/mt, up C$4.10 on the day, and gaining C$21.30 for the week.*

Canola / Rapeseed Export Prices – (*FOB, US$/mt*)

Canada (Vancouver)	Sep	661
Australia (Kwinana) b)	Sep	704

SUNFLOWERS

➢ USDA – World Sunflower Seed

Oilseed, Sunflowerseed World as of September 2022					
Attribute	22/23 Sep'22	Change	22/23 Aug'22	21/22	20/21
Area Harvested (1000 HA)	27,478	+169(+.62%)	27,309	28,723	26,946
Beginning Stocks (1000 MT)	7,557	-602(-7.38%)	8,159	2,449	2,916
Production (1000 MT)	51,948	+1019(+2%)	50,929	57,130	49,273
MY Imports (1000 MT)	4,832	+803(+19.93%)	4,029	3,876	2,735
Total Supply (1000 MT)	64,337	+1220(+1.93%)	63,117	63,455	54,924
MY Exports (1000 MT)	4,886	+667(+15.81%)	4,219	3,949	2,911
Crush (1000 MT)	47,976	+378(+.79%)	47,598	47,448	45,175
Food Use Dom. Cons. (1000 MT)	2,116	+20(+.95%)	2,096	2,074	2,133
Feed Waste Dom. Cons. (1000 MT)	2,622	-24(-.91%)	2,646	2,427	2,256
Total Dom. Cons. (1000 MT)	52,714	+374(+.71%)	52,340	51,949	49,564
Ending Stocks (1000 MT)	6,737	+179(+2.73%)	6,558	7,557	2,449
Total Distribution (1000 MT)	64,337	+1220(+1.93%)	63,117	63,455	54,924
Yield (MT/HA)	1.89	+(+1.61%)	1.86	1.99	1.83

Source: USDA PS&D

Sunflowerseed Export Prices – (*FOB, US$/mt*)

EU (France) (Bordeaux) Sep 705

➢ India's August sunflower oil imports up 89.6%

13 Sept 2022 Subhajit Dasgupta - After the Ukraine crisis, Russia and Argentina have emerged as major suppliers of sunflower oil to India as imports of the cooking oil jumped 89.6% to 1.35 lakh mts in August, according to Solvent Extractors Association.

India, the world's leading vegetable oil buyer, is dependent on imports of sunflower oil, which constitutes 16% of the total edible oil imports.

Before the Russia-Ukraine crisis, 70% of the sunflower oil imported by India used to come from Ukraine, while 20% from Russia. But imports have been severely affected after the invasion of Ukraine by Russia in late February this year.

"Russia and Argentina turn to be major suppliers of sunflower oil to India," industry body Solvent Extractors Association (SEA) said in a statement.

In August this year, India imported about 1,35,000 mts of sunflower oil mainly from Russia, and Argentina and a small quantity from Turkey, which was 89.6% higher than 71,340 mts in the same month of the previous year, it said.

Of the total sunflower oil imports, the shipments from Russia increased to 72,780 mts in August this year, from 28,840 mts in the year-ago period.

Similarly, the import of sunflower oil from Argentina increased to 30,600 mts in August this year from 12,500 mts in the year-ago period. About 14,588 mts has been imported from Turkey in August.

VEGETABLE OILS

Table 03: Major Vegetable Oils: World Supply and Distribution (Commodity View)

Million Metric Tons

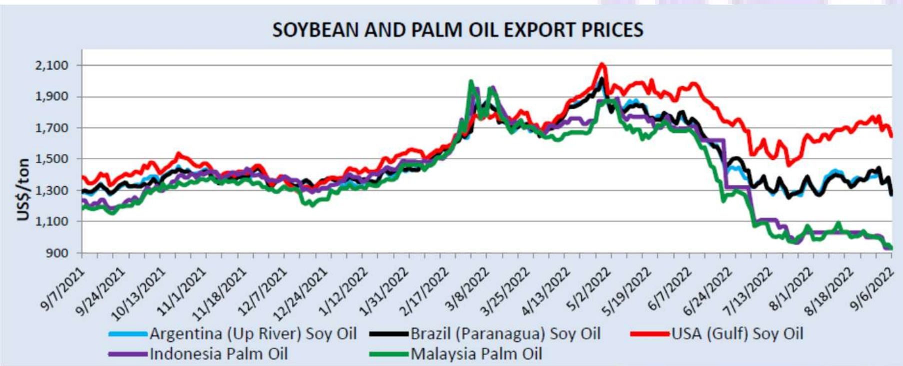
	2018/19	2019/20	2020/21	2021/22	Aug 2022/23	Sep 2022/23
Production						
Oil, Coconut	3.66	3.49	3.46	3.59	3.59	3.59
Oil, Cottonseed	4.93	5.08	4.78	4.95	5.16	5.12
Oil, Olive	3.16	3.15	2.93	3.29	2.82	2.82
Oil, Palm	74.18	73.03	73.08	75.95	79.23	79.16
Oil, Palm Kernel	8.57	8.51	8.40	8.85	9.08	9.08
Oil, Peanut	5.82	6.21	6.41	6.49	6.51	6.50
Oil, Rapeseed	27.80	28.12	29.11	29.03	31.09	31.35
Oil, Soybean	56.06	58.52	59.23	59.20	61.60	61.44
Oil, Sunflowerseed	19.60	21.12	19.06	19.92	19.99	20.14
Total	203.79	207.23	206.45	211.27	219.05	219.21
Imports						
Oil, Coconut	1.86	1.84	1.93	2.07	2.04	2.04
Oil, Cottonseed	0.09	0.10	0.09	0.09	0.09	0.09
Oil, Olive	1.11	1.31	1.22	1.25	1.07	1.07
Oil, Palm	50.53	47.40	47.52	43.51	49.48	49.40
Oil, Palm Kernel	3.01	3.02	3.16	2.84	3.21	3.21
Oil, Peanut	0.30	0.31	0.44	0.27	0.42	0.42
Oil, Rapeseed	5.18	5.80	6.32	5.20	6.63	6.63
Oil, Soybean	10.96	11.48	11.68	11.52	12.00	11.99
Oil, Sunflowerseed	9.65	11.72	9.68	9.52	8.89	8.91
Total	82.67	82.96	82.04	76.26	83.82	83.75
Exports						
Oil, Coconut	2.14	1.88	1.71	2.02	1.91	1.91
Oil, Cottonseed	0.10	0.11	0.09	0.12	0.10	0.10
Oil, Olive	1.18	1.47	1.36	1.34	1.05	1.05
Oil, Palm	51.75	48.49	48.19	44.51	51.24	50.74
Oil, Palm Kernel	3.40	3.29	3.22	2.76	3.41	3.41
Oil, Peanut	0.31	0.32	0.48	0.31	0.41	0.41
Oil, Rapeseed	5.26	5.87	6.41	5.33	6.79	6.87
Oil, Soybean	11.48	12.37	12.61	12.31	12.91	12.97
Oil, Sunflowerseed	11.51	13.47	11.33	11.03	10.51	10.50
Total	87.12	87.28	85.40	79.73	88.33	87.96
Domestic Consumption						
Oil, Coconut	3.45	3.49	3.55	3.70	3.73	3.73
Oil, Cottonseed	4.95	5.06	4.84	4.93	5.13	5.10
Oil, Olive	2.93	3.03	3.07	3.15	2.92	2.92
Oil, Palm	71.04	71.00	73.38	73.64	76.42	76.74
Oil, Palm Kernel	8.24	8.14	8.32	8.63	9.09	9.09
Oil, Peanut	5.92	6.22	6.47	6.42	6.52	6.51
Oil, Rapeseed	28.22	28.19	28.47	29.24	30.44	30.58
Oil, Soybean	55.15	57.02	58.44	58.95	60.49	60.19
Oil, Sunflowerseed	18.02	18.92	18.30	18.03	18.30	18.52
Total	197.88	201.08	204.85	206.68	213.02	213.37
Ending Stocks						
Oil, Coconut	0.61	0.56	0.69	0.63	0.63	0.63
Oil, Cottonseed	0.20	0.20	0.15	0.13	0.15	0.15
Oil, Olive	0.89	0.85	0.56	0.60	0.52	0.52
Oil, Palm	14.73	15.66	14.70	16.01	16.92	17.09
Oil, Palm Kernel	0.88	0.98	1.00	1.30	1.10	1.09
Oil, Peanut	0.42	0.40	0.30	0.34	0.34	0.34
Oil, Rapeseed	2.87	2.71	3.26	2.92	3.34	3.44
Oil, Soybean	4.67	5.28	5.14	4.60	4.63	4.87
Oil, Sunflowerseed	2.34	2.77	1.88	2.26	2.42	2.29
Total	27.60	29.43	27.68	28.79	30.04	30.41

➢ USDA – World Soybean Oil

Oil, Soybean World as of September 2022					
Attribute	22/23 Sep'22	Change	22/23 Aug'22	21/22	20/21
Crush (1000 MT)	326,823	-694(-.21%)	327,517	313,626	315,167
Extr. Rate, 999.9999 (PERCENT)	0.19	-	0.19	0.19	0.19
Beginning Stocks (1000 MT)	4,600	+174(+3.93%)	4,426	5,139	5,283
Production (1000 MT)	61,443	-156(-.25%)	61,599	59,200	59,230
MY Imports (1000 MT)	11,986	-13(-.11%)	11,999	11,517	11,676
Total Supply (1000 MT)	78,029	+5(+.01%)	78,024	75,856	76,189
MY Exports (1000 MT)	12,971	+65(+.5%)	12,906	12,306	12,609
Industrial Dom. Cons. (1000 MT)	12,404	-93(-.74%)	12,497	11,862	11,254
Food Use Dom. Cons. (1000 MT)	47,708	-208(-.43%)	47,916	47,023	47,097
Feed Waste Dom. Cons. (1000 MT)	80	+5(+6.67%)	75	65	90
Total Dom. Cons. (1000 MT)	60,192	-296(-.49%)	60,488	58,950	58,441
Ending Stocks (1000 MT)	4,866	+236(+5.1%)	4,630	4,600	5,139
Total Distribution (1000 MT)	78,029	+5(+.01%)	78,024	75,856	76,189

Source: USDA PS&D

EXPORT PRICES



August 2022 Soybean and Palm Oil Export Prices

	U.S. Soybean Oil	Argentina Soybean Oil	Brazil Soybean Oil	Indonesia Palm Oil	Malaysia Palm Oil
August Average Price	$1,689/ton	$1,370/ton	$1,361/ton	$1,024/ton	$1,019/ton
Change vs. July	+ $128/ton	+ $52/ton	+ $30/ton	- $65/ton	- $/36ton

Source: International Grains Council; all prices are FOB: U.S. Gulf, Argentina Up River, Brazil Paranagua

12 Sep 2022 USDA FAS – Domestic demand for soybean oil for biodiesel production continued to provide support for U.S. prices. The reduction in soybean crush out of Argentina, the world's largest soy oil exporter, also contributed to the stronger global soy oil prices seen in August.

Palm oil prices continued to fall in August, attributable to Indonesian export policy adjustments, continuing weak exports leading to growing stocks, as well as a decline in value of the Malaysian ringgit. Palm oil prices continued to maintain a discount to other vegetables this month after selling at an unusually high premium earlier this year.

➢ NOPA August soy crush below most estimates at 165.538 mbus

15 Sept 2022 by Karl Plume, Reuters - The U.S. soybean crush dropped by nearly 3% on August and fell short of the average trade forecast, while soyoil stocks at the end of the month hit a 14-month low, according to National Oilseed Processors Association (NOPA) data released on Thursday.

NOPA members, which account for around 95% of soybeans processed in the United States, crushed 165.538 mbus of soybeans last month, down 2.8% from the 170.220 mbus processed in July but up 4.2% from the August 2021 crush of 158.843 mbus.

The crush had been expected to dip to 166.110 mbus, according to the average of estimates from nine analysts in a Reuters survey. Estimates ranged from 162.500 million to 171.500 mbus, with a median of 166.500 mbus.

Seasonal maintenance downtime ahead of the autumn harvest kept the crush pace low, analysts said. The soy crush in August declined from the prior month in every region tracked by NOPA, apart from Iowa, the group's data showed.

Soyoil supplies among NOPA members as of August 31 dropped to 1.565 billion lbs, the lowest since June 2021, down from 1.684 billion lbs at the end of July and 1.668 billion lbs a year ago.

Soyoil supplies at the end of July were expected to have thinned to 1.658 billion lbs, according to the average of estimates gathered from six analysts. Estimates ranged from 1.575 billion to 1.800 billion lbs, with a median of 1.649 billion lbs.

➢ Brazil's oilseed processing capacity rises 4.1% in 2020-2022

13 Sept 2022 ABIOVE Reuters - Brazil's total oilseed processing capacity grew 4.1% in 2020-2022 from the previous two-year period, the fastest pace of increase since 2016, according to a survey released on Tuesday by oilseeds crushers group Abiove.

Brazil's total oilseeds crushing capacity is now at 66.7 mmts a year, according to the biannual survey.

The growth in capacity exceeded the average biannual rate of increase of 2.5% recorded in the last decade, according to Abiove, which represents soy crushers including U.S.-based Cargill and China's Cofco.

Soy processors increased installed capacity as they had expected the mandatory blend of biodiesel in diesel would be increased to 14% in 2022, and prepared for it.

The government, however, maintained the mandatory mix at 10% for this year. Still, strong demand for soymeal and soy oil, mainly from exports, justified the increase in capacity, Abiove said.

Despite the frustration with the lower biodiesel mandate, Abiove said that it expects companies to invest 1 billion reais ($196.3 million) in the expansion and construction of new processing plants next year.

Brazilian crushers idle processing plants due to negative margins

12 September 2022 - Up to eight Brazilian crushers - just under 10% of the country's total capacity - have been forced to bring forward plans to idle processing plants and halted operations due to negative crushing margins and weak demand for soyoil, trade sources have told Agricensus.

It is believed a total of eight crushers - located in the states of Parana, Mato Grosso du Sul and Sao Paolo - have halted operations due to negative crush margins, with more likely to come offline according to sources.

Brazil currently has 99 crushing units. Soybean processing plants usually undergo maintenance around December and January, ahead of the main Brazilian crop which starts being harvested from February onwards, but this year operations have been impacted by negative crush margins.

Brazil's spot gross crush margins were minus $22.25/mt on September 8, the lowest level since June 2021.

And crush margins for October are expected to remain negative, calculated at minus $23.72/mt according to data from Brazil's Agrinvest Commodities.

“Some plants which would stop around December/January have already halted operations,” said Victor Martins, senior risk manager at HedgePoint Global. “They feel they are better off halting early than facing such negative crush margins.”

Weak demand for Brazilian soyoil has also been impacted as India - the world's largest vegoil importer - is taking a wait-and-see approach following large import volumes for the season to date, which is 3.5% on the same period a year ago.

That stems from the recent developments in neighboring Argentina, the world's biggest soyoil exporter which is experiencing bumper soybean farmer sales due to recent changes in the exchange rate.

That has teed up expectations that improved crush margins could reinvigorate Argentina's own domestic crush sector.

“There is a lack of soyoil buyers…the domestic biodiesel market is dead, and the export market is well supplied,” Eduardo Vanin of Brazil's Agrinvest Commodities said.

Brazil is the world's second largest exporter of soyoil and soymeal, and is expected to export 2.12 mmts and 18.7 mmts for 2022/23, according to the latest data from the USDA.

USDA – World Soybean Oil

Oil, Soybean United States as of September 2022					
Attribute	22/23 Sep'22	Change	22/23 Aug'22	21/22	20/21
Crush (1000 MT)	60,555	-544(-.89%)	61,099	60,010	58,257
Extr. Rate, 999.9999 (PERCENT)	0.20	-	0.20	0.20	0.19
Beginning Stocks (1000 MT)	976	+23(+2.41%)	953	967	840
Production (1000 MT)	11,827	-107(-.9%)	11,934	11,841	11,350
MY Imports (1000 MT)	227	-	227	147	137
Total Supply (1000 MT)	13,030	-84(-.64%)	13,114	12,955	12,327
MY Exports (1000 MT)	635	-	635	805	785
Industrial Dom. Cons. (1000 MT)	5,352	-91(-1.67%)	5,443	4,627	4,046
Food Use Dom. Cons. (1000 MT)	6,215	+1(+.02%)	6,214	6,547	6,529
Feed Waste Dom. Cons. (1000 MT)	0	-	0	0	0
Total Dom. Cons. (1000 MT)	11,567	-90(-.77%)	11,657	11,174	10,575
Ending Stocks (1000 MT)	828	+6(+.73%)	822	976	967
Total Distribution (1000 MT)	13,030	-84(-.64%)	13,114	12,955	12,327

Source: USDA PS&D

Soybean Oil Prices – (*FOB, US$/mt*)

Argentina (Up River) Sep $1,211

Brazil (Paranagua) Sep $1.225

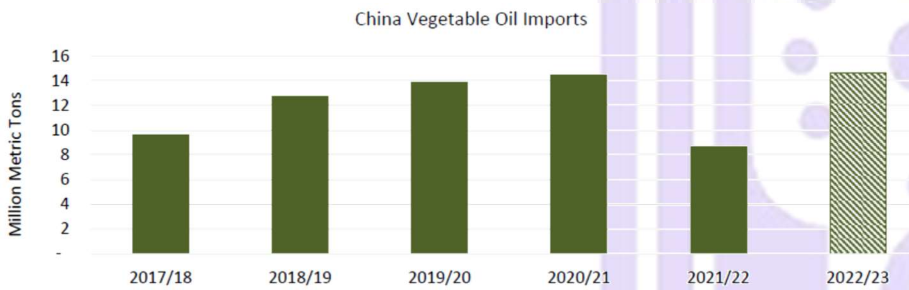
CME Soybean Oil

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

__CME October 2022 Soybean Oil Futures__ settled on Friday at $65.96/cwt, up 166 cents on the day, but losing 72 cents for the week. Friday trading in the products soybean oil was triple digits higher.

The CFTC reported the funds were also closing BO shorts and adding BO longs through the week for an 11,288 contract stronger net long of 55,270 contracts – a 14-week high.

China Veg Oil Imports Plunge in 2021/22, to Recover in 2022/23



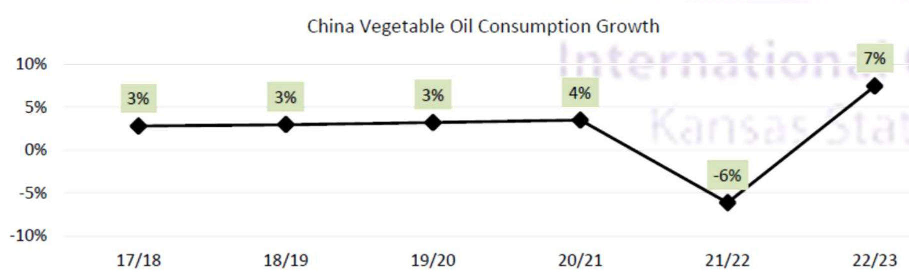
12 Sep 2022 USDA FAS –China's COVID-related restrictions, slowing economic growth, .and higher global commodity prices have weakened the country's demand for oilseed processing, protein meal, and vegetable oil consumption.

High global vegetable oil prices in 2021/22 were the key factor leading to a 40% decline in China vegetable oil imports.

For 10 months (October-July) of the 2021/22 marketing year, China imports of major vegetable oils declined by over 5 mmts compared to the same period last year. The biggest cuts have been estimated for palm oil (2.0 mmts), rapeseed oil (1.2 mmts), and sunflower seed oil (1.1 mmts). Imports of soybean and peanut oil have also seen a significant decline in the 2021/22 marketing year.

China's imports of sunflower seed oil remain sluggish as Russia's invasion of Ukraine significantly disrupted shipments.

Consumers also cut back on purchasing items such as peanut oil that are typically priced much higher than other fats and oils, resulting in lower imports.



In the next marketing year (2022/23), vegetable oil imports and consumption are expected to recover. Although the growth in consumption year-over-year for 2022/23 seems drastic, the actual growth from 2020/21 is forecast at only 1.0%.

USDA – World Palm Oil

Oil, Palm World as of September 2022					
Attribute	22/23 Sep'22	Change	22/23 Aug'22	21/22	20/21
Area Harvested (1000 HA)	25,457	-25(-.1%)	25,482	25,123	24,474
Beginning Stocks (1000 MT)	16,006	+138(+.87%)	15,868	14,695	15,662
Production (1000 MT)	79,161	-65(-.08%)	79,226	75,952	73,076
MY Imports (1000 MT)	49,400	-82(-.17%)	49,482	43,507	47,523
Total Supply (1000 MT)	144,567	-9(-.01%)	144,576	134,154	136,261
MY Exports (1000 MT)	50,737	-500(-.98%)	51,237	44,510	48,188
Industrial Dom. Cons. (1000 MT)	24,886	+500(+2.05%)	24,386	22,810	23,628
Food Use Dom. Cons. (1000 MT)	50,519	-185(-.36%)	50,704	47,926	49,051
Feed Waste Dom. Cons. (1000 MT)	1,332	-	1,332	2,902	699
Total Dom. Cons. (1000 MT)	76,737	+315(+.41%)	76,422	73,638	73,378
Ending Stocks (1000 MT)	17,093	+176(+1.04%)	16,917	16,006	14,695
Total Distribution (1000 MT)	144,567	-9(-.01%)	144,576	134,154	136,261
Yield (MT/HA)	3.11	-	3.11	3.02	2.99

Source: USDA PS&D

India's August palm oil imports jump 87% m/m to 11-month high

9 Sept 2022 By Rajendra Jadhav, Arpan Varghese, Reuters – India's palm oil imports in August jumped 87% from a month ago to the highest level in 11 months as a sharp drop in prices prompted refiners to ramp up purchases, a leading trade body said on Tuesday.

Higher palm oil purchases by the world's biggest vegetable oil importer could support palm oil futures and help top producer Indonesia in bringing down ballooning inventories.

India's palm oil imports in August rose to 994,997 mts from 530,420 mts in July, the Solvent Extractors' Association of India said in a statement.

Refiners were aggressively buying palm oil for August shipments as its discount over rival soyoil and sunflower oil widened above $300/mt in July, said a Mumbai-based dealer with a global trading firm. "The discount made palm oil attractive even after paying duty," the dealer said.

Palm oil imports attract 5.5% tax, while New Delhi has allowed duty-free imports of 2 mmts each of soyoil and sunflower oil for the current and next fiscal years.

India could import around 1 mmts of palm oil in September as it was trading at a hefty discount to soyoil, said a New Delhi-based dealer with a global trading firm.

Crude palm oil is being offered at $955 a tonne, including cost, insurance and freight (CIF) in India for September shipments, compared with $1,315 for crude soyoil, according to data compiled by SEA.

"Indonesia is flooding the market. Its duty free exports policy is making palm attractive," the dealer said.

Indonesia has extended to Oct. 31 a policy of not collecting levies for palm oil exports.

Soyoil imports in August halved from a month ago to 244,697 mts, while sunflower oil imports fell 13% to 135,308 mts, the SEA said.

India buys palm oil mainly from Indonesia, Malaysia and Thailand, while it imports soyoil and sunflower oil from Argentina, Brazil, Ukraine and Russia.

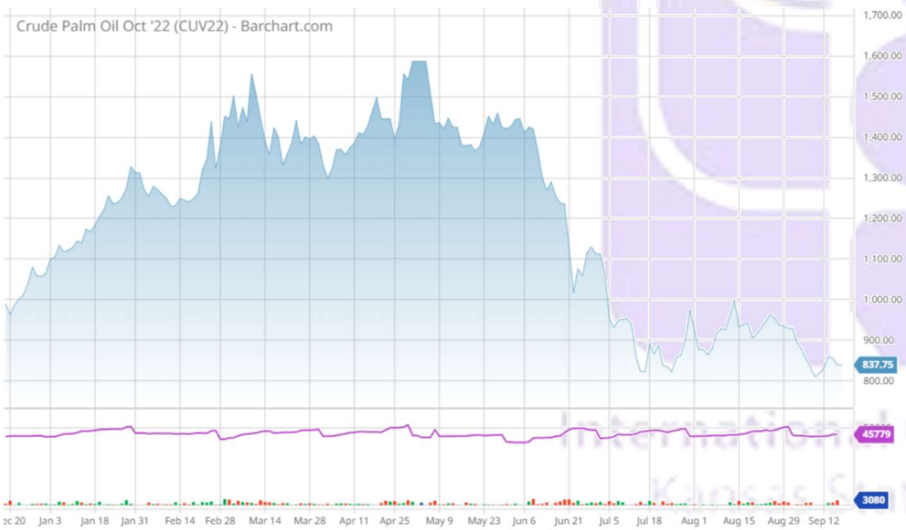
- **Malaysia end-August palm oil stocks jump 18% to 2.09 mmts**

12 Sept 2022 Reuters - Malaysia's palm oil stocks at the end of August climbed 18.16% from the previous month to 2.09 mmts, data from the industry regulator, the Malaysian Palm Oil Board (MPOB), showed on Monday.

Crude palm oil production rose 9.67% from July to 1.73 mmts, while palm oil exports fell 1.94% to 1.3 mmts, MPOB said.

A Reuters survey forecast inventories to jump 14.5% to 2.03 mmts. Production was seen 8% higher at 1.7 mmts. Exports was pegged 0.14% lower at 1.32 mmts.

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



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

***CME September 2022 Palm Oil Swaps** settling at $837.75/mt on Friday, unchanged on the day, but losing $1.25 for the week.*

RBD PALM OIL Export Prices – (*FOB, US$/mt*)

Malaysia	Sep	$935

Malaysia's financial markets werel be closed on Friday for a national holiday.

Palm oil may keep hovering below a strong resistance at 3,916 ringgit/mts, or retrace towards 3,686 ringgit, as suggested by its wave pattern and a retracement analysis, Reuters technical analyst Wang Tao said.

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

Dalian's most-active soyoil contract fell 0.7%, while its palm oil contract eased 0.2%.

- **Palm oil's implications on UN's Sustainable Development Goals**

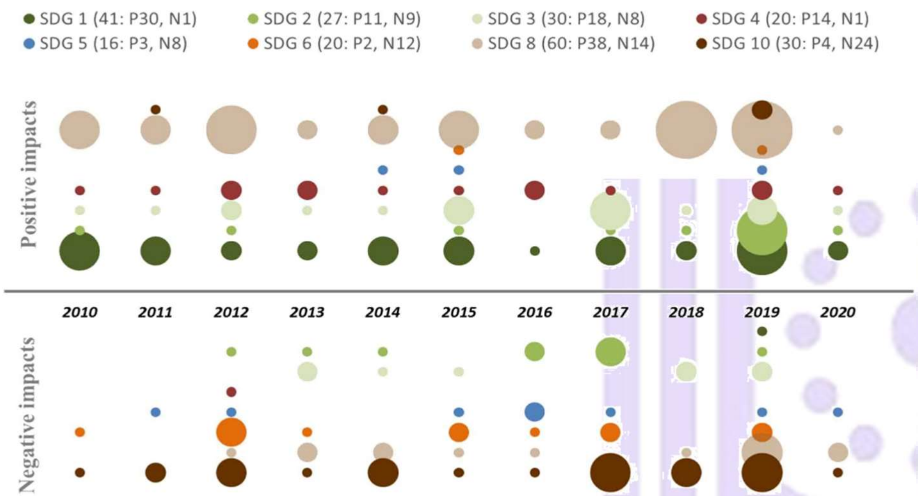
16 September 2022 by CMCC Foundation - Euro-Mediterranean Center on Climate Change - From the second half of the twentieth century onwards, there has been an exponential increase in the production of palm oil, which has proven to be very versatile; so much so that it has become a common ingredient in many food products, such as margarine, biscuits, bread, cakes, chocolate, ice cream and non-food products such as detergents and cosmetics. Palm oil has also historically been used as a lubricant for machinery and its use as a biofuel in the energy sector has been growing particularly rapidly.

Today, palm oil is at the same time the world's most-used vegetable oil—accounting for more than 35% of all vegetable oil production—and the most criticized: the issue of controversy that led to palm oil being at the center of the public and scientific debate in the last years is its environmental impact and particularly the link between its cultivation and the reduction in tropical forest areas over the past decades.

Albeit that the concept of "sustainability"' is conceived of in terms of three dimensions—environmental, economic and social—usually the debate on palm oil focuses mostly on its effects on the environment and ecosystem services. A CMCC study published in Environmental Research Letters contributes to a more informed and comprehensive debate on palm oil, considering in particular the less investigated and discussed socio-economic aspects of its production.

Researchers conducted a systematic review of the relevant existing literature that has investigated the socio-economic implications of palm oil. The review, involving 82 scientific publications on the topic published in the last 10 years, addresses for the first time the link with the United Nations Sustainable Development Goals (SDGs).

Results show that palm oil plays a crucial role in boosting the economy and livelihoods of local communities in many developing producer countries, substantially contributing to poverty reduction and to food security.



Distribution of studies according to year of publication and impact for each SDG: positive (above the line) or negative (below the line). For each SDG, the total number of studies as well as the selected number of studies reporting markedly positive (P) or markedly negative (N) effect are reported in brackets. Spheres of the same color refer to the same SDG. The size of the sphere is proportional to the number of studies. Distribution along the x-axis indicates the year of publication of the studies analyzed. Positioning along the y-axis is merely an expedient to minimize the overlapping of the spheres and does not indicate a greater or lesser positive or negative impact. Credit: Environmental Research Letters (2022). DOI: 10.1088/1748-9326/ac6e77

However, the expansion of oil palm plantations has, in some cases, exacerbated gender and social inequalities, the latter chiefly due to conflicts arising over access to land and ownership issues between local communities and the companies managing the vast plantation areas. Furthermore, according to the existing literature, the economic growth generated by the palm oil production chain is not always accompanied by decent working conditions: the work tends to be heavy and strenuous, harmful chemicals are used, workers are not protected, and the wages are poor.

"On a macroeconomic level, the economic growth associated with oil palm cultivation is factual," explains Matteo Bellotta of the CMCC Foundation and an author of the study. "But in specific contexts, the shift to this type of cultivation may not always represent a benefit for farmers. For example, for those who previously used subsistence farming, growing different food crops to meet their own needs, the switch to monoculture increased uncertainty and dependence on the market. On the other hand, those who did not practice subsistence farming or were already cultivating under monoculture, have generally improved their economic condition by growing oil palm."

A major aspect emerging from the analysis is that the achievement of some SDGs (increased quality education (SDG 4), better health and well-being (SDG 3), and access to clean water and sanitation (SDG 6)) is often facilitated by the implementation of sustainable palm oil production practices, enhanced by the application of sustainability certification schemes.

Currently, 19% of the global production of palm oil worldwide are certified as sustainable. Indeed, the increasing demand for palm oil from the international market, together with the growing public attention as to its impact on the environment and society, has led to the development of a series of certification schemes and protocols, which have been expanded over the years to include both environmental and socio-economic principles and criteria for the sustainable production of palm oil.

"In general, the number of published studies on palm oil evaluating the effects of sustainability certifications is increasing," underlines Maria Vincenza Chiriacò, researcher at the CMCC Foundation and one of the authors of the study.

"In fact, among the scientific publications considered in our study, there has been an increase in recent years in the number of studies reporting positive socio-economic aspects related to palm oil production. This could plausibly be related to the increase in the volume of certified sustainable palm oil, which according to RSPO (Roundtable on Sustainable Palm Oil) data today represents 19% of total production."

PLANT PROTEIN MEALS

➢ DDG's – Prices Higher on Average

16 September 2022 Mary Kennedy, DTN – The DTN average price for domestic distillers dried grains (DDG) from 34 locations reporting for the week ending the 15th of September was $254/ton, up $9 versus one week ago.

DDG demand from feeders has picked up as cash corn is not easy to buy or readily available, even with stronger basis values. On top of that, rail service slowed this past week as railroads prepared for a possible worker strike on Sept. 16, which was averted Thursday morning.

Based on the average of prices collected by DTN, the value of DDG relative to corn for the week ended Sep. 5 was 1.05%. The value of DDG relative to soybean meal was 58.46%, and the cost per unit of protein for DDG was $9.41, compared to the cost per unit of protein for soybean meal at $9.15.

In its weekly DDGS export update, the U.S. Grains Council said: "Barge markets are relaxing after their recent run-up and offers for DDGS Barge CIF NOLA are down $2 to $3 metric ton (mt) so far this week. FOB Gulf DDGS, however, are up $2 for spot positions and steady/down $1 for deferred positions. U.S. rail rates are sharply higher this week due to concerns about the strike, but those values should retreat soon. Offers for 40-foot containers are steady/up$4/M this week with the increase in ocean freight rates offering support. Offers for containerized DDGS to Southeast Asia averaged $408/mt through Thursday's trade."

VALUE OF DDG VS. CORN & SOYBEAN MEAL

Settlement Price:	**Quote Date**	**Bushel**	**Short Ton**
Corn	9/15/2022	$6.7750	$241.9643
Soybean Meal	9/15/2022		$434.50
DDG Weekly Average Spot Price			$254.00
DDG Value Relative to:	**9/15/2022**	**9/8/2022**	
Corn	1.05%	1.02%	
Soybean Meal	58.46%	57.27%	
Cost Per Unit of Protein:			
DDG	$9.41	$9.07	
Soybean Meal	$9.15	$9.01	

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.

Table 02: Major Protein Meals: World Supply and Distribution (Commodity View)

Million Metric Tons

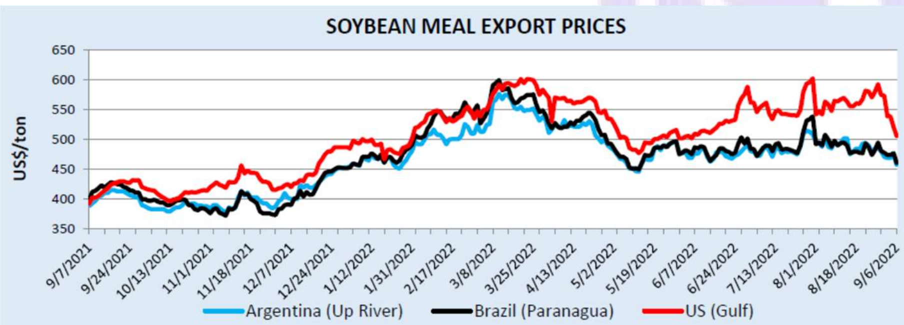
	2018/19	2019/20	2020/21	2021/22	Aug 2022/23	Sep 2022/23
Production						
Meal, Copra	1.94	1.85	1.84	1.90	1.90	1.90
Meal, Cottonseed	15.01	15.46	14.61	15.08	15.70	15.62
Meal, Fish	4.76	4.64	4.90	4.85	4.85	4.85
Meal, Palm Kernel	10.07	10.02	9.89	10.42	10.67	10.67
Meal, Peanut	7.18	7.66	7.88	7.97	7.99	7.98
Meal, Rapeseed	39.20	39.50	41.10	41.76	44.05	44.34
Meal, Soybean	233.88	245.32	247.81	246.22	257.33	256.67
Meal, Sunflowerseed	20.94	21.72	20.30	21.57	21.69	21.89
Total	332.97	346.16	348.32	349.76	364.17	363.92
Imports						
Meal, Copra	0.58	0.43	0.62	0.65	0.57	0.57
Meal, Cottonseed	0.36	0.34	0.24	0.29	0.29	0.29
Meal, Fish	3.07	3.10	3.41	3.31	3.29	3.29
Meal, Palm Kernel	7.36	7.21	7.10	7.18	7.40	7.41
Meal, Peanut	0.10	0.13	0.07	0.09	0.10	0.10
Meal, Rapeseed	7.14	7.97	8.30	7.33	8.04	8.04
Meal, Soybean	63.29	62.01	63.84	64.43	65.22	65.34
Meal, Sunflowerseed	8.08	8.56	7.59	7.15	6.61	6.62
Total	89.98	89.75	91.17	90.43	91.53	91.67
Exports						
Meal, Copra	0.68	0.43	0.55	0.59	0.56	0.56
Meal, Cottonseed	0.45	0.42	0.41	0.45	0.46	0.47
Meal, Fish	2.65	2.67	2.95	2.75	2.81	2.81
Meal, Palm Kernel	7.96	7.88	7.65	7.92	8.19	8.19
Meal, Peanut	0.12	0.18	0.13	0.12	0.12	0.12
Meal, Rapeseed	7.22	7.72	8.22	7.37	8.36	8.38
Meal, Soybean	68.02	67.59	68.97	69.10	70.14	69.98
Meal, Sunflowerseed	8.17	8.84	8.13	7.62	7.24	7.31
Total	95.26	95.73	97.01	95.91	97.87	97.81
Domestic Consumption						
Meal, Copra	1.84	1.84	1.94	1.96	1.92	1.92
Meal, Cottonseed	15.05	15.41	14.46	14.92	15.51	15.43
Meal, Fish	5.20	5.05	5.41	5.41	5.35	5.35
Meal, Palm Kernel	9.51	9.40	9.26	9.62	9.88	9.89
Meal, Peanut	7.14	7.62	7.83	7.93	7.98	7.97
Meal, Rapeseed	39.36	39.42	41.07	41.69	43.45	43.75
Meal, Soybean	229.55	240.15	243.45	241.99	251.85	251.30
Meal, Sunflowerseed	20.66	21.35	20.69	21.17	20.75	20.90
Total	328.31	340.24	344.13	344.69	356.68	356.51
Ending Stocks						
Meal, Copra	0.14	0.15	0.11	0.11	0.11	0.11
Meal, Cottonseed	0.15	0.12	0.10	0.09	0.12	0.10
Meal, Fish	0.24	0.25	0.20	0.22	0.19	0.19
Meal, Palm Kernel	0.64	0.58	0.66	0.73	0.75	0.73
Meal, Peanut	0.05	0.04	0.03	0.03	0.03	0.03
Meal, Rapeseed	1.27	1.60	1.70	1.74	1.89	1.99
Meal, Soybean	15.59	15.19	14.41	13.97	14.66	14.70
Meal, Sunflowerseed	1.98	2.07	1.13	1.05	1.27	1.35
Total	20.05	19.99	18.35	17.93	19.03	19.20

➢ USDA – World Soybean Meal

Meal, Soybean World as of September 2022					
Attribute	22/23 Sep'22	Change	22/23 Aug'22	21/22	20/21
Crush (1000 MT)	327,076	-694(-.21%)	327,770	313,854	315,410
Extr. Rate, 999.9999 (PERCENT)	0.78	(-1.27%)	0.79	0.78	0.79
Beginning Stocks (1000 MT)	13,970	-124(-.88%)	14,094	14,412	15,185
Production (1000 MT)	256,669	-662(-.26%)	257,331	246,215	247,812
MY Imports (1000 MT)	65,340	+119(+.18%)	65,221	64,429	63,841
Total Supply (1000 MT)	335,979	-667(-.2%)	336,646	325,056	326,838
MY Exports (1000 MT)	69,978	-158(-.23%)	70,136	69,099	68,972
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)	249,095	-551(-.22%)	249,646	239,849	241,346
Total Dom. Cons. (1000 MT)	251,299	-551(-.22%)	251,850	241,987	243,454
Ending Stocks (1000 MT)	14,702	+42(+.29%)	14,660	13,970	14,412
Total Distribution (1000 MT)	335,979	-667(-.2%)	336,646	325,056	326,838
SME (1000 MT)	249,095	-551(-.22%)	249,646	239,849	241,346

Source: USDA PS&D

EXPORT PRICES



August 2022 Soybean Meal Export Prices

	U.S.	Argentina	Brazil
August Average Price	$565/ton	$489/ton	$488/ton
Change vs. July	+ $8/ton	+ $3/ton	- $5/ton

Source: International Grains Council. All prices are FOB: U.S. Gulf, Argentina Up River, and Brazil Paranagua.

12 Sep 2022 USDA FAS – Premiums for U.S. soymeal further increased in August compared to South America. Monthly average prices rose for U.S. soybean meal on strong domestic demand for crush.

In August, Argentina farmers faced with weak exchange rates continued to hold soybeans back from the crush market. At the beginning of September, Argentina set a preferential exchange rate for soybean producers at 200 pesos per U.S. dollar (weaker than the official rate of 140 pesos/dollar) to encourage farmer selling.

➢ India's Aug oilmeal exports jump 71% y-o-y, led by strong rapemeal

15 September 2022 - India's oilmeal exports in August rose by 24.3% against the previous month and 71% compared to the same period last year to 282,498 mts, led by a firm increase in rapemeal exports, the Solvent Extractors Association of India (SEA) said in a release Thursday.

Rapemeal exports in August came to 228,960 mts, forming 81% of the month's oil meal exports and a 59% increase from July.

On a year-on-year basis, rapemeal exports jumped by 263%.

The strong rapemeal performance was attributed to a record crop and crushing this year, SEA said. "India is the most competitive supplier of rapeseed meal to South Korea, Vietnam, Thailand and other Far East Countries at $295/mt fob India, against Hamburg ex-mill $355/mt," the association added.

On a financial year basis which runs from April 1st 2022 to March 31st 2023, India's oilmeal exports have risen by 40% between April and August this year against the same period a year ago.

South Korea and Thailand are the top destination markets for Indian oilmeals so far, with South Korea importing 452,351 mts of oilmeal in the first five months of the current financial year, up 46.5% against last year, while exports to Thailand also rose by 162.4% in the same period.

Exports of Indian soymeal in August rose by 20% on the month and 60% on the year to 17,547 mts, with Indian soymeal previously lacking price competitiveness in the international market.

However, SEA noted that exports may see a rise in the new season, with fob India prices falling from the high levels of $888/mt seen in March this year to $560/mt currently, nearly on par with soymeal ex-Rotterdam at $554/mt.

The fall was attributed to a drop in local soybean prices and combined with expected steadiness in international soybean prices and good soybean crop with substantial carry forward, SEA expects crushing and subsequently exports to increase from October onwards.

The average export price of Indian soymeal in July was $670/mt ex-India, 0.7% lower than the previous month and 40.9% lower than the same month last year.

➢ China Lowers Corn, Soybean Meal Content in Animal Feed

13 September 2022 Yicai Global - China has been reducing the amount of corn and soybean meal in animal feed to ensure food security, according to new figures.

The proportion of corn used in compound feed made by Chinese producers was 30.3% in July, versus 52% in 2017, a recent report from the China Feed Industry Association showed. The amount of soybean meal used was cut to 15.6% from 17.9% .

Livestock and poultry breeding has expanded in China in recent years as meat consumption and people's incomes rise, leading to higher demand for feed grains.

Last year, feed grains accounted for more than half of the country's total grain consumption.

China's food security lies in feed grains, Gao Yupeng, a professor at Northwest A&F University, told Yicai Global. It is difficult for the animal husbandry sector to feed livestock and poultry with Chinese grain, he added.

In domestic livestock and poultry feed, 65% is generally energy-giving ingredients, of which corn's share is 50% to 55% , while protein ingredients account for about 30% , with soybean meal making up between 15% and 20% , according to Chen Shiyan, an academician of the Chinese Academy of Engineering and a professor at China Agricultural University.

In addition to concerns about food security, grain imports have remained high in recent years, with prices surging, so the Chinese aquaculture sector has been using less feed grains and finding substitutes.

Since 2018, China has promoted wheat, barley, sorghum, rice, and other cereals combined with additives such as enzyme preparations as a corn substitute and has popularized high-quality low-protein feed grains to replace soybean meal.

Chinese researchers are already studying low-soybean meal or soybean meal-free feed grains for pigs and chickens, which will greatly reduce the amount of protein ingredients used.

In 2020, China's compound feed production rose by 30 mmts from 2019, but soybean imports remained flat, indicating that the promotion of low-protein feed grains was effective. Last year, compound feed production jumped by 42 mmts, and China's output of meat and milk hit a record high, while soybean imports fell by 3.8 mmts.

➢ USDA – U.S Soybean Meal

Meal, Soybean United States as of September 2022					
Attribute	22/23 Sep'22	Change	22/23 Aug'22	21/22	20/21
Crush (1000 MT)	60,555	-544(-.89%)	61,099	60,010	58,257
Extr. Rate, 999.9999 (PERCENT)	0.78	-	0.78	0.78	0.79
Beginning Stocks (1000 MT)	363	-	363	309	310
Production (1000 MT)	47,491	-454(-.95%)	47,945	46,932	45,872
MY Imports (1000 MT)	544	+136(+33.33%)	408	567	712
Total Supply (1000 MT)	48,398	-318(-.65%)	48,716	47,808	46,894
MY Exports (1000 MT)	12,428	-273(-2.15%)	12,701	12,338	12,406
Industrial Dom. Cons. (1000 MT)	0	-	0	0	0
Food Use Dom. Cons. (1000 MT)	0	-	0	0	0
Feed Waste Dom. Cons. (1000 MT)	35,562	+1(+%)	35,561	35,107	34,179
Total Dom. Cons. (1000 MT)	35,562	+1(+%)	35,561	35,107	34,179
Ending Stocks (1000 MT)	408	-46(-10.13%)	454	363	309
Total Distribution (1000 MT)	48,398	-318(-.65%)	48,716	47,808	46,894
SME (1000 MT)	35,562	+1(+%)	35,561	35,107	34,179

Source: USDA PS&D

➢ CME CBOT Soybean Meal

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

CME September 2022 Soybean Meal Futures, *settled on Friday at $421.70/short ton, off $6.30 on the day, but gaining $6.90/ton for the week. Friday trading in the products led meal $4.90 to $7.10 lower. For the week October soymeal was 3.6% higher.*

The CFTC reported meal specs as 87,714 contracts net long on 9/13, a 6,093 contract stronger net long via net new buying on top of short covering.

➢ U.S. Export Soybean Meal Values – Friday 16th September 2022

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

USDA, CIF New Orleans, LA

CIF SOYBEAN MEAL	9/15/2022	9/16/2022		
SEP	10 / 30	10 / 30	V	UNC
OCT	20 / 45	20 / 45	V	UNC
NOV	20 / 43	20 / 43	Z	UNC
DEC	20 / 43	20 / 43	Z	UNC

Export Prices – (*FOB, US$/mt*)

U.S., FOB Gulf $525.50/mt

Brazil, FOB Paranagua	$506.00/mt
Argentina, FOB Upriver	$496.00/mt

The USDA quietly raised 2021-22 US SBM consumption forecast on Monday, for the 5th time this year. Perhaps not surprising as the ratio of meal to corn closed out the year at a 32-year low. 2022-23 price estimates suggests even more SBM use.

COTTON

➢ USDA – World Cotton

Cotton World as of September 2022					
Attribute	22/23 Sep'22	Change	22/23 Aug'22	21/22	20/21
Area Harvested (1000 HA)	32,720	-38(-.12%)	32,758	32,310	31,417
Beginning Stocks (1000 480 lb. Bales)	84,790	+69(+.08%)	84,721	88,447	98,991
Production (1000 480 lb. Bales)	118,445	+1432(+1.22%)	117,013	115,705	111,371
Imports (1000 480 lb. Bales)	44,609	+35(+.08%)	44,574	42,770	48,621
Total Supply (1000 480 lb. Bales)	247,844	+1536(+.62%)	246,308	246,922	258,983
Exports (1000 480 lb. Bales)	44,580	-	44,580	43,072	48,534
Use (1000 480 lb. Bales)	118,625	-460(-.39%)	119,085	119,462	122,051
Loss (1000 480 lb. Bales)	-113	+12(+-9.6%)	-125	-402	-49
Total Dom. Cons. (1000 480 lb. Bales)	118,512	-448(-.38%)	118,960	119,060	122,002
Ending Stocks (1000 480 lb. Bales)	84,752	+1984(+2.4%)	82,768	84,790	88,447
Total Distribution (1000 480 lb. Bales)	247,844	+1536(+.62%)	246,308	246,922	258,983
Stock to Use % (PERCENT)	51.93	+1(+2.69%)	50.57	52.17	51.85
Yield (KG/HA)	788	+10(+1.29%)	778	780	772

Source: USDA PS&D

12 Sep 2022 USDA AMS – The September USDA WASDE Report showed 2022/23 world cotton included higher production and ending stocks relative to last month, and lower consumption.

World production is projected 1.4 million bales higher as more production in the United States, Australia, China, and Turkey offset decreases for Pakistan, Uzbekistan, and Togo.

World consumption is 460,000 bales lower, with reductions in Pakistan and Vietnam. World trade is unchanged as higher U.S., Australia, and Mexico exports offset lower expected shipments from Brazil and Uzbekistan.

On the import side, a 200,000-bale increase in Pakistan's expected imports offsets reduced expectations for Turkey and Vietnam.

World ending stocks are 2.0 million bales higher this month, at 84.8 million bales.

United States: The 2022/23 U.S. cotton projections include higher beginning stocks, production, exports, and ending stocks this month. Beginning stocks are increased 250,000 bales, largely reflecting 2021/22 reported ending stocks data from the Agricultural Marketing Service and the NASS Cotton System Consumption and Stocks report.

Production is 1.3 million bales higher at 13.8 million, with higher production expected in most major producing states. Exports are projected 600,000 bales higher this month as the U.S. share of exportable supplies rises, and ending stocks are 900,000 bales higher at 2.7 million bales.

The USDA season-average farm price for upland cotton is forecast at 96 cents per pound, 1 cent lower than in August.

➢ CME Cotton – Weekly Nearby

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

***CME October 2022 Cotton Futures** settled on Friday at $109.52/cwt, up $1.20/cwt on the day, and gaining $7.62/cwt for the week. The front month cotton market closed off the highs on Friday, but futures were still up 47 to 120 points on the day.*

Dec22 Cotton closed at 99.29, down 400 points, Mar23 Cotton closed at 96.15, down 400 points, and May23 Cotton closed at 93.9, down 398 points.

December cotton futures printed another wide +2 cent range on Thursday. Futures faded from the highs into the close but were still up by 28 to 58 points on the day.

ICE maintained 4,552 certified stocks for 9/14. USDA lifted the AWP for cotton by 25 points to 95.17 cents. Rate hike fears, poor CPI data, and general macro influence left cotton futures at limit losses for the front months through May '23. May only staved off a limit drop by 2 points. That left December back below the $1/lb mark and *set a new low since before the August USDA reports. December closed at a net 5.3% loss from Friday to Friday.*

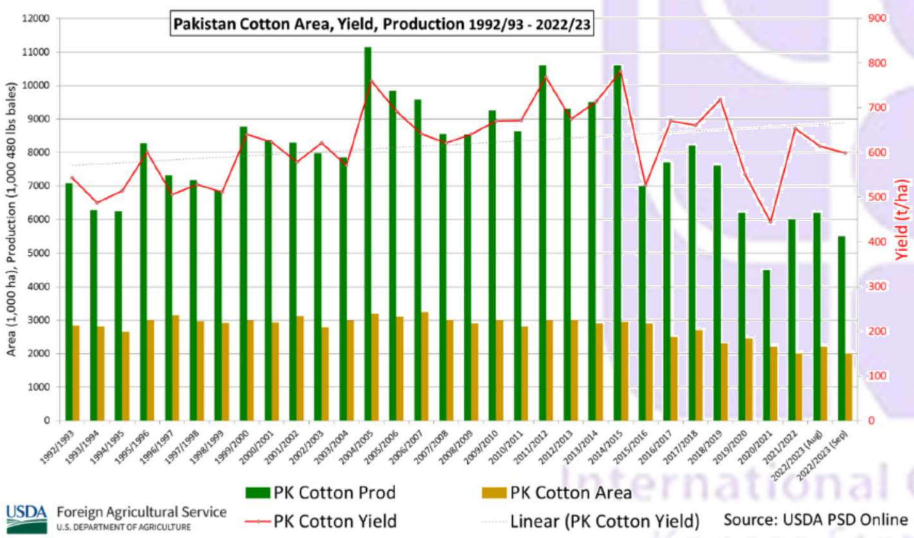
Commitment of Traders data had cotton specs at 48,133 contracts net long as of 9/13's settle. That was a 1,976 contract weaker net long wk/wk, given long liquidation. The commercial cotton hedgers were 3,140 contracts less net short after adding long hedges through the week.

The weekly Export Sales report showed 100,261 RBs of cotton was sold during the week that ended 9/8. Cotton exports reached 1.405m RBs through 9/8.

The weekly USDA Cotton Market Review showed 7,467 bales of cotton were sold through the week that ended 9/15 for 108.56 cents/lb. The Cotlook A Index was back up to 121.25 cents for 9/15 after a 40 cent increase. ICE maintained 4,552 certified stocks for 9/14. USDA lifted the AWP for cotton by 25 points to 95.17 cents.

The FOMC will meet next week to discuss the economy and monetary policy, with most expecting another 75 point basis hike to the Fed Funds Rate, and continuation of the run off of maturing bonds and mortgage backed securities acquired due the QE process or since then.

- **<u>Pakistan Cotton: Flooding Lowers Production</u>**



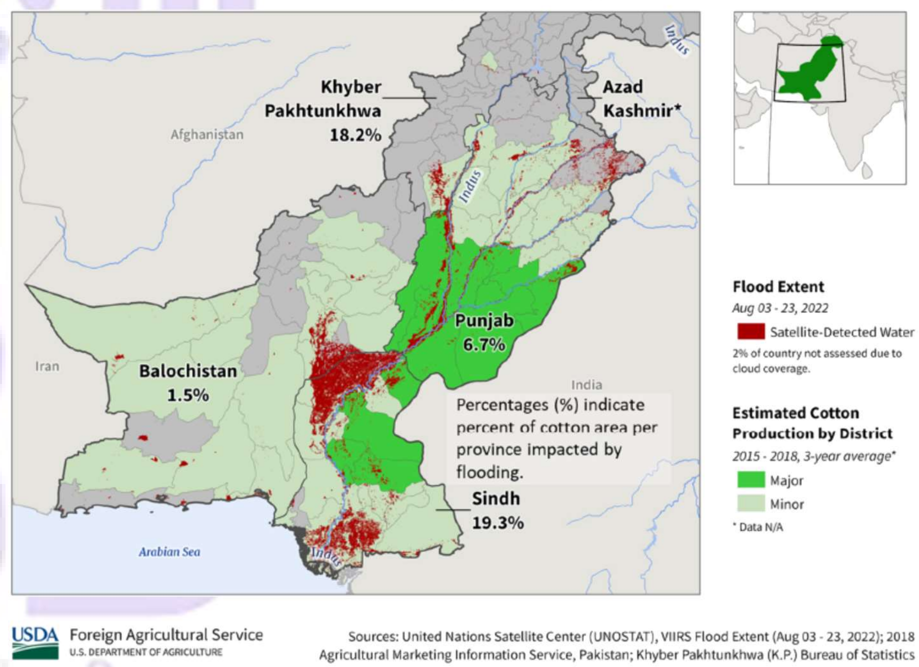
USDA estimates marketing year (MY) 2022/23 Pakistan cotton production at 5.5 million 480-pound bales, down 0.7 million bales (11%) from last month, and down 0.5 million bales (81%) from last year. Area is estimated at 2.0 million hectares, down 0.2 million (9%) from last month and unchanged from last year. The yield is forecast at 599 kilograms per hectare. This is 1% below the five-year average of 606 kgs/ha.

Production is revised down based on estimated lower area due to severe flooding in important production areas of Sindh and scattered areas along the Indus River in Punjab. Due to the flooding, 2022/23 projected harvested area is reduced 9% to 2.0 million hectares.

According to FAS/Islamabad, cotton producing districts in the province of Sindh most affected are Sukkur, Khairpur, Naushahro Feroze, and Ghotki, and have large crop areas inundated with flood waters. If the flood waters recede quickly, some production in these areas may recover, but substantial loss has already occurred.

Cotton is grown under irrigated conditions with the Tarbela Reservoir providing most of the irrigation water. Approximately 66% of Pakistan's total cotton crop is produced in Punjab province and the remaining 33% is in Sindh province.

Pakistan Cotton-Producing Areas: August Flood Extent



(For more information, please contact James.Crutchfield@usda.gov.)

OTHER MARKETS

- **'Unstoppable' bird flu epidemic, growing alarm among Dutch farmers**

14 Sept 2022 The Guardian - Warning bells are ringing across the continent over an unstoppable wave of avian flu that farmers fear could lead to poultry farm bans in vulnerable wetland areas.

In the Netherlands, more than 3.7 million chickens , ducks and turkeys have been culled in the most serious outbreak ever.

In France, where breeding ducks is popular, the government said that 16 million farmed birds had been destroyed, with farmers seeing their livelihoods collapse "like a house of cards".

Earlier this year, the Dutch environment minister, Henk Staghouwer, admitted that bird flu was now " unavoidable " in a country where 19% of the surface area is water . There had been 66 outbreaks since October 2021. Now, 10 weeks later, the figure is up to 77 and the embattled Staghouwer resigned , saying he was "not the right person" for the job.

A proposal in a Dutch government report to ban poultry farms entirely in areas near water has also sparked fierce opposition.

Year-round epidemic

"There were sometimes outbreaks in the winter, and not every year, but now we see the virus stays around all year, also in the summer," said Dr Nancy Beerens, bird flu expert at Wageningen Bioveterinary Research (WBVR), which analyses suspected bird flu samples and advises the Dutch government.

"The virus is brought into the Netherlands by wild migrating birds from Siberia that stay for the winter, and before we saw that when they migrated back in April, the virus was also gone. But now all kinds of bird species have become infected and that means that the virus stays.

"This year, we see massive circulation, species that are not natural host species, seabirds, and not ones belonging to the goose or duck family, which are natural hosts."

European and American strains that should not infect humans were infecting species such as foxes, polecats, badgers and otters, said Beerens, adding: "This is not a good situation because if mammals become infected, we are also mammals – it means the virus is coming closer to a jump to the human species than ever before."

One mystery is how the infection enters farms, many of which have been banned from letting birds outside or transporting them for months. Beerens points to multiple entry points. "You just need a little bit of virus that comes with people, materials, or rodents that walk through bird faeces and come into the barn, infected feathers blown in by the wind, or rainwater that drops from the roof, where there is bird faeces," she said.

Sijds Dijkstra, whose organic farm in Zeewolde was the first to suffer from the current outbreak in October 2021, has kept his birds inside for months. "Thirty-six thousand chickens had to be culled on my farm last year," he said. "Right now, you could get it again at any moment.

"There's a lot of uncertainty and risk. Stopping farming isn't an option because you have your stalls, and you've invested money in them. You can't just say: I'm stopping."

Dijkstra, like everyone else in the sector, says the only solution is an effective vaccine. "At first, because of exports to other countries, they didn't want to vaccinate, so nothing was developed," he said. "I hope that now they will do something."

Banning chicken farms

One possibility suggested last year was a complete ban on farms in "water-rich" areas – which has not been a popular suggestion.

"You can't just draw a line through businesses full of people doing their best to protect poultry," said Derk Boswijk, MP and agriculture spokesperson for the Christian Democratic Appeal. "The most important protection against bird flu is vaccinations, to prevent infections and culling poultry. But this means a European approach to increase the acceptance of products from vaccinated animals."

A spokesperson for the environment ministry would not comment on the proposed ban, but said the situation was "very serious", with strict biosecurity measures and an expert report to be presented to parliament soon. "We expect a permanent threat of bird flu year-round," she said. "Trials are currently being carried out to test the efficacy of some vaccines under high-containment conditions."

According to Beerens, initial results from vaccine trials conducted by Wageningen Bioveterinary Research will not be available until December.

Kees de Jong, head of the poultry sector at the LTO Nederland farming union, has called for research into better filtration systems for poultry sheds and more methods to scare away wild birds, but said the overwhelming need was for a vaccine – and fast.

"We have breeding farms that are incredibly strict about hygiene: nobody comes in without being showered down," said De Jong. "They are like a hospital intensive-care unit where everything is pristine – and still, sometimes, the virus gets in.

"You are fighting against an invisible enemy."

Energy & Ethanol

➢ CME Ethanol Futures - Nearby Weekly

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

***CME Nearby Ethanol September 2022** settling on Friday at $2.355500/gallon, off 8.000 cents on the day, and losing 8.000 cents for the week.*

The Energy Information Administration (EIA) said Wednesday domestic ethanol production tumbled 26,000 barrels per day (bpd) to 963,000 bpd, the lowest level since the week ended April 22, but about 3% higher than this time last year. Midwest ethanol production plunged 29,000 bpd or 3.1% to 902,000 bpd through Sept. 9, also a 20-week low but 2.4% above a year ago.

➢ Crude Undercut By Stock Market Slump

16 September 2022 Rich Asplund, Barchart – Crude oil and gasoline prices Friday settled mixed. Stronger than expected Chinese economic reports Friday supported hopes for increased energy demand and were bullish for oil prices. However, crude oil was undercut by Friday's -0.7% decline in the S&P 500 to a 1-3/4 month low, which illustrated reduced confidence in the economic outlook. Also, a rally in the dollar index Friday to a 1-week high weighed on energy prices.

Better-than-expected Chinese economic news was bullish for crude oil demand in China, the world's largest crude importer. China's Aug industrial production rose +4.2% y/y, stronger than expectations of +3.8% y/y and the biggest increase in 5 months. Also, China's Aug retail sales rose +5.4% y/y, stronger than expectations of +3.3% y/y and the biggest increase in 11 months.

➢ NYMEX WTI Crude Oil – Weekly Nearby

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

***NYMEX September 2022 WTI Crude Oil Futures** settled on Friday at $84.76/barrel, up $0.11 on the day, and gaining $1.22 for the week.*

Oct WTI crude oil (CLV22) on Friday closed up +0.01 (+0.01%), and Oct RBOB gasoline (RBV22) closed down -1.30 (-0.54%).

A bearish factor for crude was Thursday's report from Standard Chartered that said the world oil market swung into a "large surplus" from the deficit seen earlier this year, with an overhang of 1.82 million bpd this quarter.

Crude oil prices retreated Thursday after the DOE said it does not need a price trigger to restock the SPR and that it doesn't plan on refilling it until after fiscal 2023. Crude prices on Wednesday earlier rallied after a Bloomberg report said the Biden administration was considering buying crude oil to refill the SPR when prices fall below $80 a barrel. The SPR is currently at its lowest level since 1984 after the Biden administration in March ordered the release of 180 million barrels of oil from the reserve to curb surging oil prices.

Crude oil prices found support Wednesday after China announced it is easing pandemic lockdowns in Chengdu, a city of 21 million people, which should boost economic activity and energy demand. China's Covid lockdowns have hurt Chinese energy demand in recent months. Chinese refineries in July handled the least amount of oil since March 2020 as Covid lockdowns and refinery shutdowns for maintenance undercut crude demand. Also, recent crude demand remains weak as

China's Bureau of Statistics today reported China Aug crude processing rose just +0.9% from July and was still down -8% y/y to 12.69 million bpd.

Oil prices are also seeing support from the dim prospects for a nuclear deal with Iran that would lift sanctions against Iran and allow its crude back onto the global markets. The International Atomic Energy Agency (IAEA) on Monday said that "the information gap is bigger and bigger" on Iran's recent nuclear activities. Also, the European Union's chief negotiator said Saturday that "in light of Iran's failure to conclude the agreement on the table, we will consult with our international partners on how best to deal with Iran's continued nuclear escalation."

Crude oil prices garnered support after OPEC+ last Monday agreed to cut its crude production level by 100,000 bpd in October, its first cut in production in more than a year. Saudi Arabian Energy Minister Prince Abdulaziz bin Salman said, "the simple tweak in production shows that OPEC+ will be attentive, preemptive and pro-active" in managing crude markets.

Reduced crude production in Libya is supportive of oil prices after Libya's state-run National Oil Corp said last Tuesday that Libyan crude production had dropped more than -100,000 bbl to 1.1 million bpd, down from the 1.226 million bpd it produced last week.

In a bearish factor, Vortexa reported Monday that the amount of crude stored on tankers that have been stationary for at least a week rose +11% w/w to 92.32 million bbls in the week ended September 9.

OPEC+ production in August rose by +590,000 bpd to a 2-1/4 year high of 29.640 million bpd, according to the IEA, but is still running more than 2 million bpd below quotas due to various supply disruptions and capacity constraints. Nigerian and Libyan crude output has fallen in recent months due to damaged pipelines in Nigeria and political unrest in Libya, undercutting the overall OPEC+ production level.

Wednesday's EIA report showed that (1) U.S. crude oil inventories as of September 9 were -2.6% below the seasonal 5-year average, (2) gasoline inventories were -6.2% below the seasonal 5-year average, and (3) distillate inventories were -20.5% below the 5-year seasonal average. U.S. crude oil production in the week ended September 9 was unchanged at 12.1 million bpd, which is only -1.0 million bpd (-7.6%) 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 September 16 rose by +8 rigs to 599 rigs, modestly below the 2-1/4 year high of 605 rigs posted in the week ended July 29. 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.

➢ Nat-Gas Prices Slide On The Outlook For Cooler U.S. Temps

16 September 2022 Rich Asplund, Barchart – Oct nat-gas prices Friday extended Thursday's sharp losses to a 1-week low. Nat-gas prices retreated Friday on expectations for cooler U.S. temperatures, which will curb nat-gas demand from electricity providers to run air-conditioning. Maxar Technologies said Friday that weather forecast trends are for cooler Midwest temperatures from September 26-30.

➢ NYMEX Natural Gas – Prices Climb On Above-Normal U.S. Temps

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

***NYMEX October 2022 Natural Gas Futures** settled on Friday at $7.764/MMBtu, up 0.560 cents on the day, but losing $0.232 for the week. Oct Nymex natural gas (NGV22) on Friday closed down by -0.560 (-6.73%).*

Nat-gas prices Friday also fell on negative carry-over from Thursday when the U.S. Labor Department said a national railway strike was averted when companies and negotiators representing 100,000 rail workers agreed to a preliminary accord.

Lower-48 state total gas production on Friday was 99.6 bcf, up +7.8% y/y. Lower-48 state total gas demand on Friday was 66.2 bcf/day, up +3.6% y/y. LNG net flow to U.S. LNG export terminals Friday was 11.7 bcf/day, up +6.5% w/w.

An increase in U.S. electricity output is bullish for nat-gas demand from utility providers. The Edison Electric Institute reported Wednesday that total U.S. electricity output in the week ended Sep 10 rose +3.4% y/y to 83,200 GWh (gigawatt hours). Also, cumulative U.S. electricity output in the 52-week period ending Sep 10 rose +3.0% y/y to 4,125,542 GWh.

Nat-gas prices have support as EU countries agreed to cut nat-gas demand from Russia by 15% over the next eight months. Also, Russia recently slashed nat-gas exports to Europe to 20% of capacity, putting upward pressure on European nat-gas prices. Russia has already halted nat-gas shipments to Demark, Finland, Bulgaria, Netherlands, Poland, and Latvia and reduced supplies to Germany for not acceding to its demand for gas payments in Russian rubles.

Nat-gas prices have seen downward pressure from the prolonged outage at the Freeport LNG export terminal, which curbed U.S nat-gas exports and put upward pressure on domestic supplies. The Freeport terminal accounted for about 20% of all U.S. nat-gas exports before the explosion on June 8 knocked it offline. The Freeport LNG terminal receives about 2 bcf, or 2.5%, of the output from the lower-48 U.S. states. The Freeport terminal said Aug 23 that it won't reopen until early to mid-November, later than a previous announcement of a restart in October.

As a longer-term bullish factor, the ongoing drought in the U.S. West has drained rivers and reservoirs, with Lake Mead and Lake Powell falling to record lows. 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 +77 bcf to 2,771 bcf in the week ended Sep 9, above expectations of a +73 bcf increase. Inventories remain tight, however, and are down -7.8% y/y and -11.3% below their 5-year seasonal average.

Baker Hughes reported Friday that the number of active U.S. nat-gas drilling rigs in the week ended Sep 16 fell by -4 rigs to 162, falling back from a 3-year high of 166 rigs the week ended Sep 9. Active rigs have more than doubled from the record low of 68 rigs posted in July 2020 (data since 1987).

TRANSPORTATION

➢ Ag Groups Praise Deal to Avoid a Possible Rail Strike

Agricultural groups were relieved on Thursday after fears of a potential national rail strike were dialed back with the announcement of a tentative deal between the major railroads and unions, reports *DTN's Progressive Farmer.*

The White House released a statement early Thursday from President Biden after the labor deal was brokered by Labor Secretary Marty Walsh, who had tweeted that a deal was reached after roughly 20 hours of talks.

The American Association of Railroads said the agreement would raise wages 24% by 2024 over 2020 and provide an immediate average payment of $11,000 per worker upon ratification of the agreements.

Mike Seyfert, president and CEO of the National Grain and Feed Association, pointed out that railroads move about 25% of all grain. Seyfert credited federal officials, including Agriculture Secretary Tom Vilsack "for understanding the threat to the food and ag supply chain and making sure it was represented in these discussions."

Shipments of anhydrous ammonia had been halted on Monday, Chris Glen, a spokesman for The Fertilizer Institute, told *Agri-Pulse*. The shipment embargoes were lifted Thursday, but there will likely "be some lag time as those delayed shipments move through the system and things ramp back up to full force again," he said.

The National Association of Wheat Growers (NAWG) and U.S. Wheat Associates (USW) in a press release applauded the tentative agreement and encouraged the agreement to be swiftly ratified.

➢ Dry Bulk Freight Rates Riding Rough Seas

14 September 2022 by Michael Anderson, USW Market Analyst – This was supposed to be the year dry bulk freight vessel owners turned a profit, **Jay O'Neil,** a commodities consultant and author of a weekly transportation report recently commented. And U.S. Wheat Associates (USW) shared similar thoughts early in 2021. Instead, S&P Global Market Intelligence noted recently that freight rates for dry bulkers have fallen over the past three months after rates peaked earlier than expected in the second quarter of 2022. As rates recently climbed, however, O'Neil said the freight market may have finally found its bottom.

Bearish Factors

Since early 2020, shipping has faced uncertainties: labor shortages, various COVID restrictions made worse by each country applying different restrictions, port congestion, and supply chain breakdowns have all competed to make shipping tough. The challenges to shipping logistics have abated. As a result, the number of available vessels floating in the dry bulk freight market has increased.

As China Goes…

China plays such a dominating role in the dry bulk shipping market that analyzing economic activity there can predict the dry bulk fleet's prospects. China's economic growth slowed under the government's zero-COVID policy. The global iron ore trade, one aspect that drives the dry bulk fleet, was down 6% last month compared to a year ago. An analyst with S&P Global Market Intelligence said "slower than expected economic growth" could exist through the second half of 2023. O'Neil covered bearish factors for the dry bulk freight market for USW's 2021 Crop Quality report.

Russian Coal

Putin's war in Ukraine has also rerouted some cargo flows and driven up demand for coal, another commodity that absorbs dry bulk shipping capacity. Sanctions on Russian gas supplies have quickly reversed European Union plans to close many coal-fired plants. While the E.U. looks to the United States for coal imports, India and China are taking advantage of cheap Russian coal and changing demand for different bulker size categories.

Another key component that helped bring down dry bulk shipping rates is the easing of port congestion.

“Inefficiencies of last year do not apply to the current market anymore and the supply-demand equation is more straightforward,” said one ship owner. AXS said a primary driver behind the lower rates is the drop in ton-miles.

Overall, Breakwave Advisors, a shipping publication, agreed saying, “Following a period of high uncertainty and significant disruptions across the commodity spectrum, the gradual normalization of trade is shifting the market’s attention back to the traditional demand and supply dynamics that have shaped dry bulk profitability for decades.”

This was all good news for dry bulk freight customers, including the world’s wheat buyers.

Turning Tides

Yet signs of rate recovery are evident. The Baltic Index on September 9 notched its largest weekly increase in 8 years, according to Reuters data. The index was up 12% to 1,213. On September 12, the Baltic Index marked its fourth consecutive session of gain. AgriCensus, in a story published on August 31, noted that the purchasing managers’ index (PMI) rose to 49.4 in August, up 0.4 compared to July. But still, the index remained below the 50-point mark which separates contraction from growth.

Despite the current strengthening in the shipping index, generally bearish factors affecting dry bulk freight rates such as China’s economic situation remain. Those that follow the market closely say that rebound may simply be a market correction. For now, it seems like vessel owners may have to wait longer before turning that profit that many predicted not long ago.

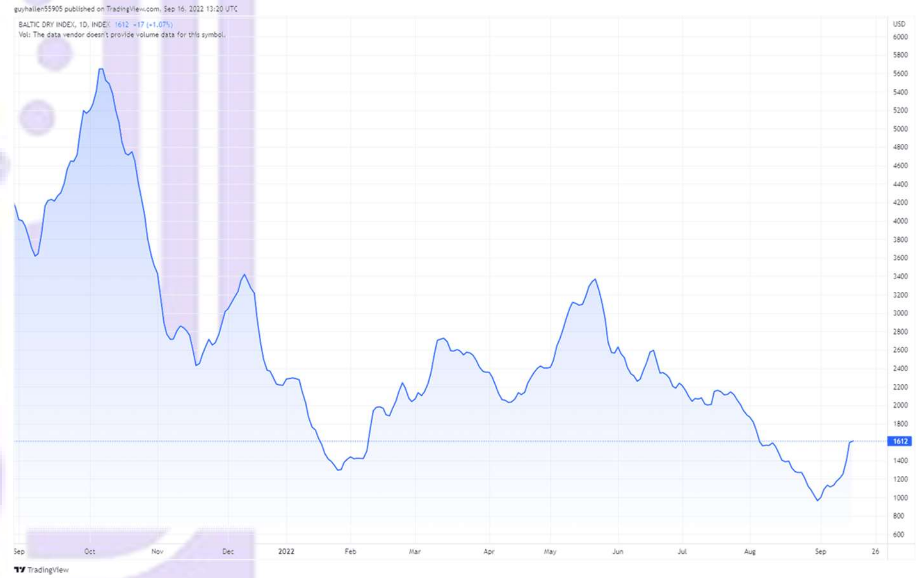
➢ Baltic Dry Index - up on higher capesize, supramax rates

15 September 2022 Reuters – The Baltic Exchange's main sea freight index, tracking rates for ships carrying dry bulk commodities, rose for a seventh straight session on Thursday, helped by gains in capesize and supramax rates.

- The overall index, which factors in rates for capesize, panamax, and supramax shipping vessels rose 17 points, or about 1%, to 1,612.
- The capesize index gained 72 points, or 4.6%, to over a month high at 1,637.
- Average daily earnings for capesizes, which typically transport 150,000-tonne cargoes such as coal and steel-making ingredient iron-ore used in construction, rose by $603 to $13,580.
- "Activity has been plentiful this week for iron ore out of Australia and for coal from South Africa, boosting the Cape market," shipbroker Jefferies said in a daily note.
- Iron ore futures rose buoyed by China's intensified efforts to support the ailing domestic property sector. Hopes that top steel producer China would ease its COVID-19 restrictions also boosted sentiment after Chengdu city said it would lift a full lockdown.
- The panamax index snapped a 10-day gaining streak and was down 55 points, or about 2.6%, at 2,090.
- Average daily earnings for panamaxes, which usually carry coal or grain cargoes of about 60,000 to 70,000 mts, were down $496 at $18,813.
- The supramax index rose by 24 points to an over two week high, of 1,529.

(Reporting by Harshit Verma in Bengaluru; Editing by Vinay Dwivedi)

➢ Baltic Dry Freight Index – Daily = 1612



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

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.

Container spot rates tumble another 9.7% in last week

16 Sept 2022 Shipping Watch - The SCFI reported on Friday that the index had dropped 249.46 points to 2312.65 points from the previous week. It is the third week in a row that the SCFI has fallen in the region of 10% as container spot rates tumble steeply from the peak early this year.

It was similar picture for Drewry's World Container Index (WCI), which has generally shown a less steep decline in recent weeks than that registered by the SCFI. Published on Thursday the WCI fell 8% week-on-week to $4,942 per feu, some 52% below the peak of $10,377 recorded a year earlier.

Drewry reported that spot container freight rates on Shanghai – Los Angeles dropped 11% or $530 to $4,252 per feu in the last week, while on the Asia – Europe trade spot rates between Shanghai and Rotterdam fell 10% or $764 to $6,671 per feu.

The analyst expects spot rates to keep falling saying, "Drewry expects the index to decrease in the next few weeks."

At present the WCI remains 34% higher than its five-year average of $3,692 per feu.

While different indexes show differing freight rates, all agree on a sharp decline in container spot rates, that has accelerated in recent weeks.

Analyst Xeneta noted rates from Asia to the US West Coast had seen "dramatic declines" compared to the peak recorded earlier this year. Xeneta said that since the end of March, rates from Southeast Asia to the US West Coast have fallen by 62%, while those from China have collapsed some 49%.

"Spot prices from Asia have, to be blunt, been falling considerably since May this year, with increasing rates of decline over the last few weeks," commented Peter Sand, Chief Analyst, Xeneta on Friday. "We're now at a point where the rates are down to their lowest level since April 2021."

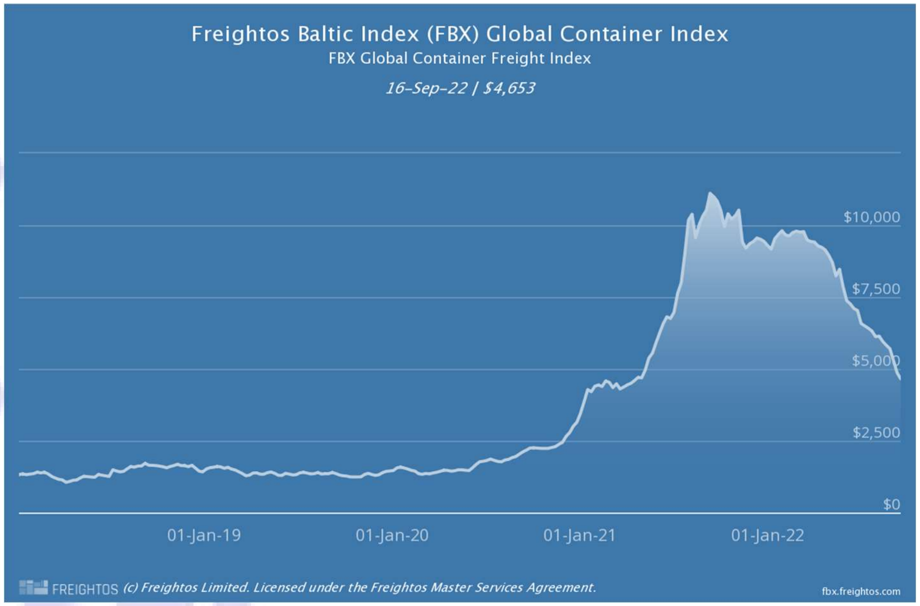
The question is how the continued plunge in spot rates will impact long-term contract rates between lines and shippers, and to what extent customers will be successful in pushing for renegotiations. Lines have been enjoying record levels of profitability with the sector raking in a massive $63.7bn profit in Q2 according to the McCown Container Report.

Xeneta's Sand sees the situation as remaining positive for container lines at present. "We have to remember though, those rates are dropping from historical highs, so it certainly won't be panic stations for the carriers just yet. We'll continue watching the latest data to see if the trend continues and, crucially, how that impacts on the long-term contract market."

A more negative picture was presented by Supply chain software company Shifl earlier this week with pressure for renegotiations from shippers. It said both Hapag-Lloyd and Yang Ming said shippers have asked to renegotiate deals, the former saying it is standing firm and the latter open to hearing customers' requests.

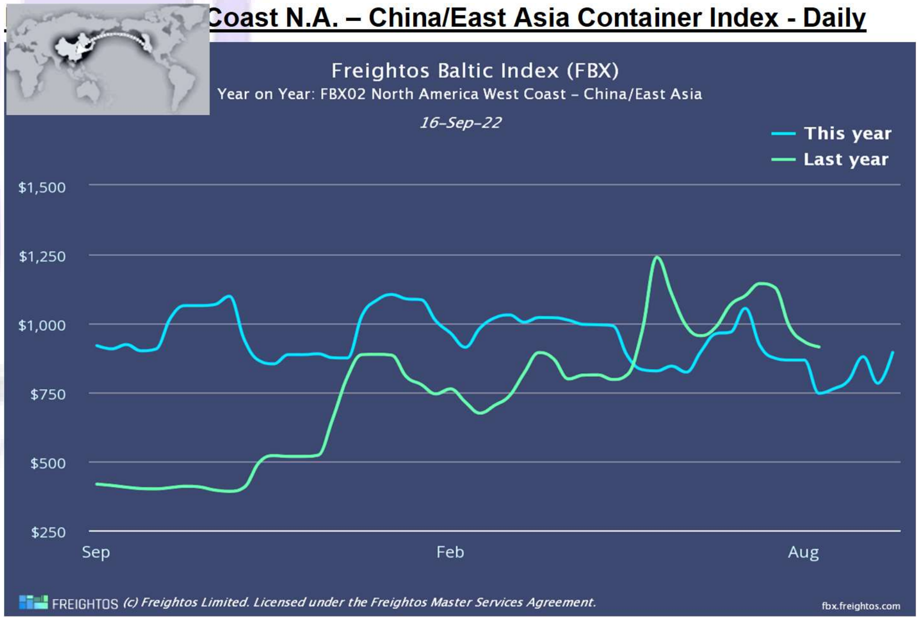
"With the increasing pressure from shippers, shipping lines may not have a choice but to accede to customer demands as contract holders are known to simply shift their volumes to the spot market," said Shabsie Levy, CEO and Founder of Shifl.

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



Source: httpsfbx.freightos.com/

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



Source: httpsfbx.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.

- **Illinois River Barge Freight**

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

IL RIVER FREIGHT			
	9/15/2022	**9/16/2022**	
wk 9/11	775/825	850/900	
wk 9/18	825/875	875/950	
wk 9/25	850/925	900/950	
Oct	900/950	925/975	
FH Nov	725/775	750/800	
Lh Nov	675/725	700/750	
Dec	625/675	650/700	
Jan	650/700	675/725	
Feb	600/650	600/650	**UNC**
Mar	550/600	550/600	**UNC**
April	525/575	525/575	**UNC**
May	500/550	500/550	**UNC**
June	500/525	500/525	**UNC**

LOGISTICS

- **U.S. rail strike averted, but labor deal faces tough union votes**
  - Rail labor dispute had threatened massive work stoppage
  - Workers agree not to strike while ratification votes tallied

15 Sept 2022 Reuters - President Joe Biden's administration secured a tentative deal on Thursday to avert a railway strike that could have wreaked havoc on the U.S. economy, but union members angered by tough work conditions have yet to ratify the agreement.

A deal between major U.S. railroads and unions representing tens of thousands of workers was reached after about 20 hours of talks brokered by Labor Secretary Marty Walsh. Workers agreed not to strike while votes are tallied over the next several weeks, avoiding a stoppage that could have started on Friday.

Walsh told Reuters it was a "very nice contract, good contract for workers" and for employers. It had provisions that "have never been in contracts before" for rail workers.

Delivering remarks in the White House Rose Garden, Biden called the deal a "big win for America" and promised more worker-company agreements in the future. Averting a strike helped the Democratic leader avoid fresh supply chain shortages and inflation hikes ahead of November's midterm elections.

"I'm optimistic that we can do this in other fields as well," Biden said. "Unions and management can work together for the benefit of everyone."

Walsh held the contract talks in Washington between unions representing 115,000 workers and railroads including Union Pacific (UNP.N), BNSF, CSX (CSX.O), Norfolk Southern (NSC.N) and Kansas City Southern .

If they accept the deal that was announced at about 5 a.m. (0900 GMT), workers whose pay had been frozen would win double-digit increases and would be allowed to seek certain types of medical care without fear of being punished, union leaders said. The agreement also includes an immediate 14.1% wage rise.

Workers have gone three years without a raise amid the contract dispute, with talks stalling over attendance, sick time and scheduling issues. Only two of 12 unions - representing less than 10% of the workforce - are known to have ratified new contracts with freight railways.

The unions, including two large groups representing around 60,000 workers, will need to persuade their members to vote for Thursday's deal. That might be a tough sell, labor experts warned. Walsh said unions will get the deal over the next month or two and then hold votes.

"There's a lot of anger among the members of these two unions because they feel, after being essential workers during the COVID pandemic, they were getting screwed on the attendance policy and getting punished for taking sick leave," said Seth Harris, a professor of Northeastern University and former Biden administration official focused on labor and the economy.

MIDTERMS, ECONOMIC DISRUPTION

Negotiations on an agreement had stretched for more than two years, leading Biden to appoint an emergency board in July to help break the impasse.

Biden's Democrats, who regularly voice support for unions, face November elections that will determine whether they retain their narrow control of Congress. Republican control would likely block much of Biden's legislative agenda for the next two years of his presidency.

Congressional leaders had threatened to pass legislation imposing a resolution on the railroads and unions if the negotiations were not successful.

U.S. House of Representatives Speaker Nancy Pelosi praised the tentative agreement and said Congress was ready to act.

"Thankfully this action may not be necessary," Pelosi said in a statement.

A rail shutdown could have frozen almost 30% of U.S. cargo shipments by weight, stoked inflation, cost the American economy as much as $2 billion per day and unleashed a cascade of transport woes affecting U.S. energy, agriculture, manufacturing, healthcare and retail sectors.

General Motors (GM.N) Chief Executive Mary Barra said Thursday a rail shutdown would have forced the closure of some truck plants "within a day" and snarled new car deliveries to dealerships.

Railroad shares pared premarket gains as Wall Street closed sharply lower on economic jitters, but Union Pacific and Norfolk Southern outperformed the broader market.

Oil futures fell over 3% to a one-week low on the deal amid expectations for weaker global demand.

The impact of a shutdown would have stretched beyond U.S. borders because trains link the United States to Canada and Mexico and provide vital connections to massive ships that ferry goods from around the globe.

Amtrak, which runs U.S. passenger rail, said it will resume normal service on Friday after canceling long-distance trains in anticipation of a strike.

WORKFORCE CUTS

The railroad industry slashed almost 30% of its workforce over the past six years, cutting pay and other costs as companies increased profits, stock buybacks and dividends for investors.

Profits at BNSF, owned by billionaire Warren Buffett's Berkshire Hathaway (BRKa.N), rose 9.8% in the quarter ending June 30 to $1.66 billion.

The number of U.S. railway workers has dropped from more than 600,000 in 1970 to about 150,000 in 2022, according to the Bureau of Labor Statistics, due to technology and cost-cutting. The result is that many industry workers are on call at all hours, waiting to respond at short notice to work for days at a time.

Thursday's deal follows some earlier recommendations of the president's emergency mediators. It includes a 24% wage increase over a five-year period from 2020 through 2024 as well$1,000 lump sum payments in each of the next five years.

Biden, who has criticized companies for raking in "excessive" profits, faces other supply-chain labor issues. Some 22,000 union workers at 29 West Coast ports that handle almost 40% of U.S. imports are also in high-stakes labor contract negotiations.

- **NTSB Reports on Collision Between Mississippi River Barge and Train**

The National Transportation Board said Thursday that a Mississippi River towing vessel's pilot and its captain pushed its tow up against a riverbank too close to a railroad track, leading to a collision and train derailment near Galland, Iowa.

Marine Investigation Report 22/22 details the NTSB's investigation into the 13th of November 2021, collision between the towing vessel Baxter Southern and a BNSF coal train transiting the track along the shoreline of the Upper Mississippi River. The train struck a barge that was overhanging the railroad track. Two locomotives and 10 hopper cars loaded with coal derailed. Six of the derailed hopper cars entered the river. Two train personnel sustained minor injuries. The collision resulted in $1.9 million in damages to the locomotive and freight cars. The barge sustained minor scrapes.

During a transit downriver, strong wind gusts made the situation unsafe for the Baxter Southern to continue the voyage as planned. Using the vessel's electronic chart system (ECS), the captain and pilot identified a location on the riverbank that they believed represented a fleeting area safe to push up against. Neither the pilot nor the captain clicked an exclamation point symbol on the electric chart, which would have showed that the area presented a "Railroad Collision and Trackbed Erosion Risk."

The pilot pushed the tow onto the riverbank, and three crewmembers headed forward on the tow to verify the forward-most barge was clear of the track. While the barge did not cross over either rail, it extended about a foot over the railroad ties.

When the pilot of the Baxter Southern saw the light of the approaching train, he attempted to move the tug and tow away from the riverbank. The train's engineer activated the train's emergency brake when the train was about 300 feet from the barge. With only seconds to respond, the activation of the train's emergency brake and the attempt to move the tow occurred too late to avoid the collision.

The NTSB determined the probable cause of the collision was the tow's pilot and captain not correctly identifying a caution area on the electronic chart before deciding, due to the high wind's effect on the tow's empty barges, to push the tow up against the riverbank alongside a railroad track.

"ECS provide a wealth of navigation information to mariners. Electronic charting display and information systems (ECDIS) enables users to obtain more information about a feature by querying through a cursor pick," the report said. "There are many features—including warnings and other navigation information—that can be obtained through a cursor pick that are not specifically noted in the default chart display. Mariners should ensure they understand all symbols and applicable advisories identified in their ECS, and owners and operators should ensure that their crews are proficient in the use of ECS."

GOVERNMENT

- **WTO:** WTO Director-General Ngozi Okonjo-Iweala characterized trade policy as "part of the solution" to address climate change, especially for vulnerable countries. "I feel trade is part of the solution. You might have financing, but if the trade policies don't align, you may not be able to get the technologies you need for climate adaptation," the WTO leader said.
- **Section 301 tariffs:** After receiving hundreds of requests to maintain existing Section 301 tariffs on Chinese goods, the Office of USTR announced section 301 tariffs on China will remain in place as it continues a statutorily required review. The agency reported receiving requests from 358 companies and 76 trade associations for the continuation of the tariffs.
- **U.S. – Taiwan:** The House Ways and Means Committee will examine the future of U.S.-Taiwan trade at a hearing scheduled for September 14th. The hearing follows a joint announcement by both countries regarding new trade arrangements under the U.S. – Taiwan Initiative on 21st-Century Trade.
- **Biden Nominees:** The Senate Finance Committee last Wednesday voted 27-0 in favor of Doug McKalip's nomination to serve as Chief Agricultural Negotiator at USTR. The nomination now goes to the full Senate for consideration.

➢ ANALYSIS: Argentine gov. role distorts global soybean dynamics

16 September 2022 - Intervention from the Argentine government in its domestic soybean markets is distorting typical market dynamics and leading to significant changes in international trade flows as end users embark on bargain buying at the expense of traditional exporters.

The latest measure stems from the Argentine government's move to encourage farmer selling by guaranteeing an improved exchange rate, known as the 'soy dollar', for soybean producers, as it seeks to increase its revenue and bolster government coffers.

But the move has distorted market dynamics for soybeans and its by-products.

Forex: The improved 'soy dollar' was implemented on September 5th and built on a scheme introduced in late July that had tried to encourage farmers to sell soybeans by setting a guaranteed exchange rate.

However, the scheme faced challenges so the improved rate set a currency rate of 200 pesos to the dollar for soybean producers, and sparked a surge of farmer sales that increased supply of beans to the domestic and export market.

In just days after the scheme was revealed, a total of 5.736 mmts of beans have been registered to use the new currency exchange.

The soybean volumes destined to the industry and export market between September 1st- 9th inclusive were 2.1 mmts, the largest weekly volume so far in 2021/22, according to data from the Rosario Grain Exchange (BCR).

This increase in soybean supply drove prices lower and resulted in Argentina becoming the most competitive source for prompt shipments of soybeans and soyoil.

That sparked bargain buying by China for soybeans and soyoil by India.

Argentine soybeans for the export market have become the most competitive origin for beans, displacing US Gulf and Brazilian volumes for prompt shipment.

31 soybean cargoes, the equivalent of 1.9 mmts, that were sold to China between September 5-14 for prompt shipment, with market sources expecting further tonnage to go if farmers continue to sell their soybean stocks in large volumes.

Exports: Argentina more typically exports derivative soybean products rather than the raw bean – although it will step up exports when market dynamics allow.

Data show that it's not unusual for Argentina to export over a mmts of soybeans at peak months, but the peak export pull typically falls in the May and June period.

The busiest months recorded in the last few years came back in 2015, when just over 6 mmts of soybeans were exported in the May through July period.

On average, Argentina exports around 1.2 mmts of soybeans in September and October, with the busiest such period coming in 2019, when around 3 mmts of soybeans were exported as Argentine sellers responded to the China-US trade war.

Ports: Argentine soybeans destined for the export market have also received a higher price at the southern ports of Buenos Aires when compared to volumes sent to the processing terminals in the Rosario area – where a large part of Argentina's crush sector is based.

In the Atlantic ports of Necochea, soybeans were sold at 73,000 pesos ($365) while Bahia Blanca was offering 71,500 pesos ($358) per mt of soybeans of September 14.

In contrast, soybean deliveries to terminals in the Rosario area were receiving 71,000 pesos ($355) per mt, and that has helped fuel the rush to the export market.

Prior to September, China had booked fewer than 10 cargoes since the start of this year.

Derivatives: In products, Argentina is the world's largest exporter of soyoil and meal, and the impacts have been felt in these two markets as well.

Argentine soyoil premiums have plummeted to the largest discount to soyoil futures in Chicago following the aftermath of the improved soy dollar.

Argentine soyoil basis premiums for October shipment closed the September 14 trading session at a 13.0 cts/lb discount to October futures, resulting in cash prices of $1,205/mt FOB Up River.

That was a drop of about $140/mt since the start of the month and the lowest level since July 2021, with one local trade source describing them as "the lowest premium levels I have ever seen in my career."

This has resulted in India rushing to secure soyoil parcels for October loading, with volumes traded at a 11 cts/lb discount to October soyoil futures on September 9, while further sales were noted at a discount of 14.50 ct/lb to October soyoil futures on September 13th.

"Given the discount in Argentina, it is likely that it could limit demand for competing oils if Argentine soyoil is less expensive," a US vegoil analyst said.

However, the new 'soy dollar' scheme is due to expire on September 30, with the government recently forced to deny rumors of a potential extension to soybean producers.

"As we said from day one, the exchange rate regime adopted this month is transitory and will not be extended," Juan Jose Bahillo, Agriculture Secretary, said via his social media account.

- **FAS Resuming Weekly Export Sales Reports**

USDA's Foreign Agricultural Service is set to resume publishing its weekly export sales reports. FAS on Wednesday confirmed previous reporting by *Agri-Pulse* that the report released today will contain four weeks of data.

FAS stopped releasing the weekly reports after problems installing a new reporting system. FAS has returned to using its old system until it can work out the problems with the new system that exporters use to enter data.

- **House Committee Holds Hearing on U.S.-Taiwan Relations**

On Wednesday, the House Ways and Means Committee held a hearing on the future of U.S.-Taiwan trade. Mr. Russell Boening, president of the Texas Farm Bureau, testified at the hearing.

"The path forward is bright, and I'm confident an agreement can be reached," Ways and Means Chairman Richard Neal said at the hearing more than three months after the U.S. Trade Representative announced intentions to negotiate a trade pact with Taiwan. "I believe that the United States is ready to step up to the plate to deliver for Taiwan, the American people, and democracies across the world."

Mr. Boening noted that current Taiwanese tariffs on U.S. ag are high and should be cut as part of a potential pact with Taiwan. The average Taiwanese tariff on agricultural commodities is 15.12%.

"In fiscal year 2021, the U.S. exported $3.94 billion of agricultural products to Taiwan, our sixth largest agricultural export market, said Mr. Boening. "Leading domestic exports include soybeans, beef, wheat, poultry, and fresh fruit. Agricultural imports from Taiwan during this same time were $540 million."

- **Coalition Urges "Transformational" Farm Bill**

A coalition of more than 160 groups not usually associated with major farm bill [policymaking sent a letter to President Biden] this week urging him to demand that Congress pass a farm bill to "reflect your values and build on your administration's actions to date to reduce economic inequality, bridge the nation's racial divides, end hunger, confront the climate crisis, improve nutrition and food safety, and protect and support farmers, workers, and communities."

The letter was written by a dozen nutrition, farming, labor, rural development, equity, and climate groups and sent to more than 150 groups that agreed to sign it. The letter outlines what the coalition calls "seven crucial values," but says the top priority is that the farm bill must be a "racial justice bill."

- **EPA Administrator Promises Timely Action on RFS, E15**

Feedstuffs reports that while speaking at Growth Energy's 13th Annual Biofuels Summit on Sept. 13, Environmental Protection Agency Administrator Michael Regan promised the agency would move forward on "providing a path for stable growth of renewable fuels and reinforce the foundations" of the Renewable Fuel Standard program as the agency finalizes its renewable volume obligations "RFS Set rule" for future years and action on year-round E15 use.

Regan said the agency is working as "quickly as possible" in promulgating a rule based on requests from eight Midwest states who petitioned for an E15 waiver under the Clean Air Act for year-round use permanently.

Regan also noted that the Biden administration, including himself and Secretary of Agriculture Tom Vilsack, remain committed to biofuels as part of the climate solutions sought by the administration.

"We recognize that electric vehicles are a significant part of the future," Regan says, but also that biofuels and liquid fuels will also play a critical role in the transition to more electric vehicles and "ensuring this country doesn't miss a beat," he says. He adds "agriculture and rural America will play a critical role in reducing our carbon footprint."

- **Senators Call for Resistance to Sugar Policy Changes in USDA Letter**

Agri-Pulse writes that a bipartisan group of a dozen senators is calling on Ag Secretary Tom Vilsack to hold off on policy changes that could make it easier for sugar to make its way across U.S. borders.

The letter, led by Sens. John Hoeven (R-ND) and Tina Smith (D-MN) argued it is "imperative that USDA not make changes that would create a glut in the U.S. market and collapse prices below grower costs of production."

"U.S. processors and refiners maintain stocks on hand to meet demand and to ensure that carryover stocks are adequate during sugarbeet and sugarcane harvests," the senators wrote. "According to the U.S. Department of Agriculture's own measures, today, the U.S. sugar market is adequately supplied."

The letter, sent Sept. 9, cites the "latest USDA World Agricultural Supply and Demand Estimates" and its projection of a 14.4% sugar stocks-to-use ratio and says USDA has previously determined a ratio of 13.5% "is adequate to supply the U.S. market." USDA has since released another WASDE report that dropped the stocks-to-use ratio to 13.5%.

In addition to Hoeven and Smith, the letter also carries the signatures of Senate Ag Committee Chair Debbie Stabenow (D-MI), Sens. Bill Cassidy (R-LA), Michael

Bennet (D-CO), Amy Klobuchar (D-MN), Florida Republicans Marco Rubio and Rick Scott, Idaho Republicans Jim Risch and Mike Crapo, and Wyoming Republicans John Barrasso and Cynthia Lummis.

GOP Lawmakers Ask Tai to Investigate Mexican Produce Imports

A group of Republican lawmakers led by Sen. Marco Rubio (R-FL) told U.S. Trade Representative Katharine Tai last week in a petition that they believe a flood of subsidized, seasonal fruits and vegetables are coming into the United States from Mexico and asked her to launch an investigation.

In the petition's cover letter, the 24 lawmakers wrote, "The Biden Administration has affirmed its intention to protect and reinvigorate critical supply chains within the U.S., including agricultural supply chains. Mexico's export targeting scheme, which is affecting U.S.-grown produce during the winter and spring months, is a direct threat to this objective."

Group: India's Rice Export Barriers to Upset Global Market

India's decision to ban imports of broken rice and slap 20% tariffs on exports of all other rice except Basmati will push food costs up in Africa, Asia and Europe, according to the USA Rice Federation. The ban is another example of the country's trade abuses that should spur a U.S. complaint at the World Trade Organization, the group said.

"We are hopeful that the USTR will continue to take actions toward correcting India's rice policies, including a full dispute settlement case," said Bobby Hanks, head of USA Rice Federation's International Trade Policy Committee. "Every protectionist act like we saw this week is just further manipulating and distorting the global rice market and they control more than 40% of it."

India is most well-known by the U.S. rice industry for its heavy subsidization of Indian farmers, a practice that allows exporters there to sell at very low prices. That, says USA Rice, distorts the value of all rice on the international market.

Pork Industry Makes Economic Case for Prop 12 Shortfalls

Feedstuffs reports that the National Pork Producers Council (NPPC) and American Farm Bureau Federation filed their last reply brief in a years-long court challenge ending at the U.S. Supreme Court to California's Proposition 12, the ballot initiative which mandates space requirements for gestating sows not only within the state of California, but also any pork sold to the state.

The industry now awaits its official day before the Supreme Court with the October 11 date set for oral arguments, and a likely decision by early 2023.

Terry Wolters, a pork producer from Minnesota and NPPC president, noted, "Ironically, California's Department of Food and Agriculture also announced [September 8] it finally completed the Proposition 12 implementation rules, more than three years after the original statutory deadline.

"This delay unnecessarily exacerbated pork supply chain disruptions and now creates significant concerns for farmers that these arbitrary regulations put the nation's pig herd at risk of disease. Any farmers raising pigs that provide pork products to the California market must register and will be required to have California agents inspect their farms, which will create serious biosecurity threats across the country."

Judge Rules GMO Labeling Needs More Than QR Code

Agri-Pulse reports that a federal judge has ruled that the Agriculture Department's decision to allow a standalone text message option on food packaging does not comply with a 2016 GMO labeling law requiring an accessible alternative to QR codes.

The USDA policy providing "a separate text message disclosure option did nothing to fix the problem of inaccessible electronic disclosures," U.S. District Judge James Donato in the Northern District of California found.

His decision means that a QR code by itself will not be enough to inform consumers of the presence of bioengineered ingredients in foods, according to the Center for Food Safety, an advocacy group that is a plaintiff in the and also representing the plaintiffs. In addition to CFS, plaintiffs in the case are Natural Grocers, Citizens for GMO Labeling, Label GMOs, Rural Vermont, Good Earth Natural Foods, Puget Consumers Co-op, National Organic Coalition.

The judge sent the matter back to USDA without vacating the regulations and rejected the plaintiffs' challenges to other parts of the 2018 regulations, such as USDA's exclusion of "highly refined" foods from the requirements unless the bioengineered material is "detectable."

The American Farm Bureau Federation, U.S. Beet Sugar Association and American Sugarbeet Growers Association have all intervened on the side of USDA.

Biden Announces Executive Order on Bioeconomy

On Monday, the White House announced an *Executive Order on Advancing Biotechnology and Biomanufacturing Innovation for a Sustainable, Safe, and Secure American Bioeconomy*. It outlines a "a whole-of-government approach to advance biotechnology and biomanufacturing towards innovative solutions in health, climate change, energy, food security, agriculture, supply chain resilience, and national and economic security."

The order calls for USDA, the Food and Drug Administration, and the Environmental Protection Agency to identify areas of "ambiguity, gaps or uncertainties" in the federal regulatory system for biotechnology within 100 days. These agencies are required to submit a plan for implementing reforms, including identifying regulations and guidance documents that need to be "updated, streamlined or clarified."

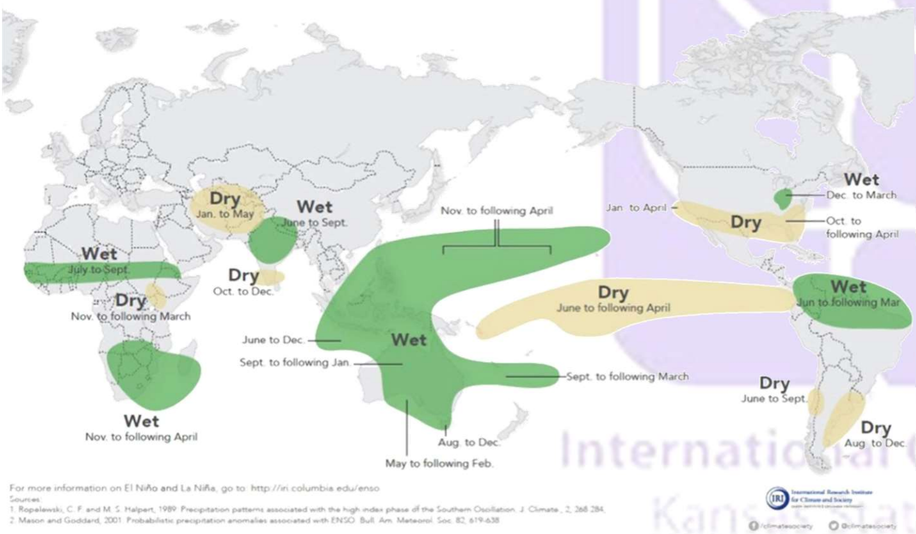
The executive order promotes a science- and risk-based system to support the development and use of products of biotechnology. U.S. agricultural producers are regular consumers of products developed using biotechnology, from feed, fuel, or fiber derived from genetically modified ingredients to medically important vaccinations administered to livestock to treat and prevent disease.

The Ag Bioeconomy Coalition, which includes the American Farm Bureau Federation, American Soybean Association, Corn Refiners Association, Growth Energy, National Association of State Departments of Agriculture, National Corn Growers Association, National Hemp Association and Plant Based Products Council, also expressed appreciation for the focus on growing the U.S. biomanufacturing sector.

However, the U.S. Cattlemen's Association told reporters, "…this Executive Order flies in the face of that investment by proposing increased funding and support for the massive, multinational corporations that are behind the production of cultured animal cells. The record profits these companies have made off the backs of cattle producers should be more than enough to fund their petri-dish protein…USCA opposes the provisions of this Executive Order calling for the advancement of foods produced using cell-cultured technology."

International Crop & Weather Highlights

- **La Nina officially declared in the Pacific Ocean: BOM**



13 September 2022 Australia BOM - Australia's Bureau of meteorology (BOM) has officially declared that the third La Nina is underway in the Pacific Ocean, which could prompt above-average rainfall for Australia and dryer conditions for South America over the next few months.

According to BOM manager of long-range forecasting Andrew Watkins, during La Nina events, waters in the eastern tropical Pacific Ocean are "cooler than normal", while waters in the western tropical Pacific Ocean are warmer than usual.

"This causes changes in wind, cloud and pressure patterns over the Pacific. When this change in the atmosphere combines with changes in ocean temperature, it can influence global weather patterns and climate", Watkins added.

Australia

The climate event has moved the Australian weather to a wetter phase, BOM said, meaning that there is an above 80% chance for higher than average rainfall for many parts of Eastern Australia, while a flood risk remains.

That comes as Eastern states of Australia, which usually produce high protein wheat, have already been affected by higher-than-normal rain.

The rain has caused both a higher grain production yield forecast as well as a decrease in high-quality wheat grade crop estimates - something which was confirmed in a report from the Australian government published earlier this month.

Above-average rainfall and potential floods are expected to have an additional negative effect on the country's logistics, having already caused a landslide which destroyed railways in eastern states.

"BOM officially declared La Niña but the market was already expecting conditions as the 3-month forecasts have continued to show a high probability of above average rainfall," a local trader indicated.

"Conditions are already wet and there is more rain on the way," the trader added.

South America

Across the Ocean in South America, La Nina usually brings dry weather conditions in eastern Argentina and southern Brazil, which are likely to worsen the region's continued dryness - a product of the two previous La Nina events, which took place over the last two summers.

Argentina's new corn and soybean campaign will commence the season with the driest conditions experienced over the past 27 years according to the Rosario Grain Exchange (BCR).

Dry weather conditions have already impacted the condition of the wheat crop in Argentina, with crops in the core region classified as 54% in regular-to-bad conditions due to a lack of rain during autumn and the previous summer.

"Farmers in Argentina are taking a defensive approach at a national level due to the drought, that means they will be planting [corn and soybeans] at a later stage in order to avoid dryness in the crop's key yield formation period," an expert at the Argentine Association of Direct Sowing Producers (Aapresid) said..

USDA/WAOB Joint Agricultural Weather Facility – 10th September 2022

Europe – Widespread Soaking Rain, But Continued Dry In Spain

- Widespread soaking rainfall further eased drought and improved soil moisture for winter crop planting in France, Germany, and Hungary while maintaining abundant moisture supplies in the Balkans.
- Dry weather sustained extreme to exceptional drought in Spain and Portugal, though showers arrived at the end of the period.

Western FSU – Cooler, With Rain In The West Contrasting With Dry Weather In The South

- Cooler but dry weather favored summer crop drydown and harvesting in Moldova, southern Ukraine, and southwestern Russia.
- Heavy showers in western Ukraine interrupted summer crop harvesting.

Middle East – Mostly Dry In Turkey, But Some Showers In The North

- Dry weather over most of Turkey favored summer crop drydown and harvesting, though showers near the Black Sea Coast slowed fieldwork locally.

South Asia – Beneficially Drier In Pakistan

- Seasonably dry, hot weather in southern Pakistan continued to ease flooding and excessive wetness while also benefiting maturing cotton.
- Showers across central and southern India sustained ample moisture for kharif crops.

East Asia – Warm, Dry Weather

- Warm, dry weather promoted summer crop maturation in China but exacerbated extreme drought impacting late-crop rice in the south.
- The remnants of Super Typhoon Hinnamnor produced downpours on the Korean Peninsula, boosting moisture supplies but coming too late in the season to benefit rice and other summer crops.

Southeast Asia – Tropical Rainfall

- Waves of tropical rainfall in Thailand and the surrounding areas maintained favorable moisture conditions for vegetative to reproductive rice but caused localized flooding.

Australia – Continued Favorable For Winter Crops

- A band of rain swept across the wheat belt, sustaining good to excellent crop conditions and yield prospects for reproductive winter grains and oilseeds.
- Despite the wet weather, early summer crop planting has likely begun in the east.

South America – Showers Lingered Over Southern Brazil

- Cool, showery weather favored immature wheat in southern Brazil.
- Cool weather dominated Argentina, slowing growth of winter grains nearing reproduction.

Mexico – Monsoon Showers Tapered Off In The Northwest

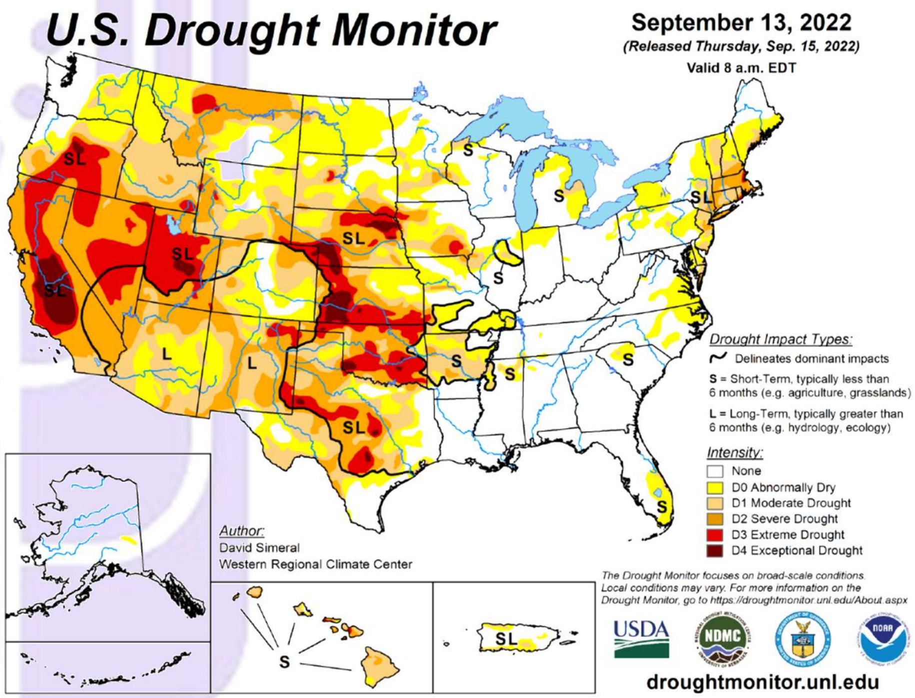
- Drier conditions prevailed in many northwestern watersheds, despite the close presence of Hurricane Kay in the eastern Pacific.

Canada – Conditions Were Ideal For Prairie Spring Crop Harvesting

- Warm, sunny weather favored dry-down and harvesting of spring grains and oilseeds..

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

U.S. Agricultural Weather Highlights – Friday 16th September 2022



In the West, poor air quality and smoky conditions from rampant wildfire activity continue to plague parts of California, the Great Basin, and the Northwest. Actively burning wildfires in Idaho and the Pacific Coast States have collectively charred more than three-quarters of a million acres of vegetation. In addition, the Mosquito Fire has become California's largest wildfire of the year to date, with some 68,000 acres burned and more than five dozen structures destroyed.

On the Plains, hot weather persists across the southern half of the region, where today's high temperatures will generally range from 90 to 95°F. With the Plains' winter wheat planting progress (on September 11) ranging from 3% complete in Kansas to 20% in Colorado, rain will soon be needed to ensure uniform emergence.

On the northern Plains, relatively cool weather accompanies widely scattered showers.

In the Corn Belt, a broken line of showers extends southwestward from the upper Great Lakes region. Any rain in the western Corn Belt is too late to benefit maturing corn and soybeans. Meanwhile, warm, dry weather across the southern and eastern Corn Belt is helping to push summer crops toward maturity. On September 11, only 16% of the corn in Illinois was fully mature, compared to the 5-year average of 36%.

In the South, showers are confined to Florida's peninsula. Elsewhere, warm, dry weather is ideal for summer crop maturation and harvesting, except in areas where lingering wetness is hampering fieldwork. On September 11th, Louisiana led the nation with topsoil moisture rated 35% surplus, followed by Alabama (22%) and Georgia (18%).

Outlook: Tropical Storm Fiona is forecast to pass just south of Puerto Rico and the U.S. Virgin Islands during the weekend; possible impacts may include heavy rain, flash flooding, and tropical storm-force wind gusts (39 mph or greater). However, some drought-affected areas may benefit from the tropical showers. On the U.S. mainland, very warm, dry weather will prevail during the next 5 days from the southern half of the Plains into the Southeast, except along the immediate Gulf Coast and across Florida's peninsula. Rainfall in southern Florida could total 1 to 3 inches or more. Meanwhile, high temperatures could approach or reach 100°F across the central and southern Plains and the mid-South. Elsewhere, 5-day rainfall could total 1 to 2 inches across parts of the northern U.S., while beneficial showers late in the weekend and early next week could aid wildfire containment efforts in northern and central California.

The NWS 6- to 10-day outlook for September 21 – 25 calls for the likelihood of warmer-than-normal weather along the Pacific Coast and east of a line from the southern Rockies to Lake Superior, while near- or below-normal temperatures will cover much of the interior West, as well as the northern Plains. Meanwhile, near- or below-normal precipitation across most of the country should contrast with wetter-than-normal conditions in the Rockies, High Plains, and Intermountain West..

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Web Site: https://www.usda.gov/sites/default/files/documents/TODAYSWX.pdf

References

Conversion Calculations

Metric Tonne = 1000 kg, approximately 2204 lbs.
American or Short Ton = 2000 lbs.
British Tonne or Long Ton = 2240 lbs.

Metric Mts to Bushels:
- Wheat, soybeans = metric mts * 36.7437
- Corn, sorghum, rye = metric mts * 39.36825
- Barley = metric mts * 45.929625
- Oats = metric mts * 68.894438

Metric Mts to 480-lbs Bales
- Cotton = metric mts * 4.592917

Metric Mts to Hundredweight
- Rice = metric mts * 22.04622

Area & Weight
- 1 hectare = 2.471044 acres
- 1 kilogram = 2.204622 pounds

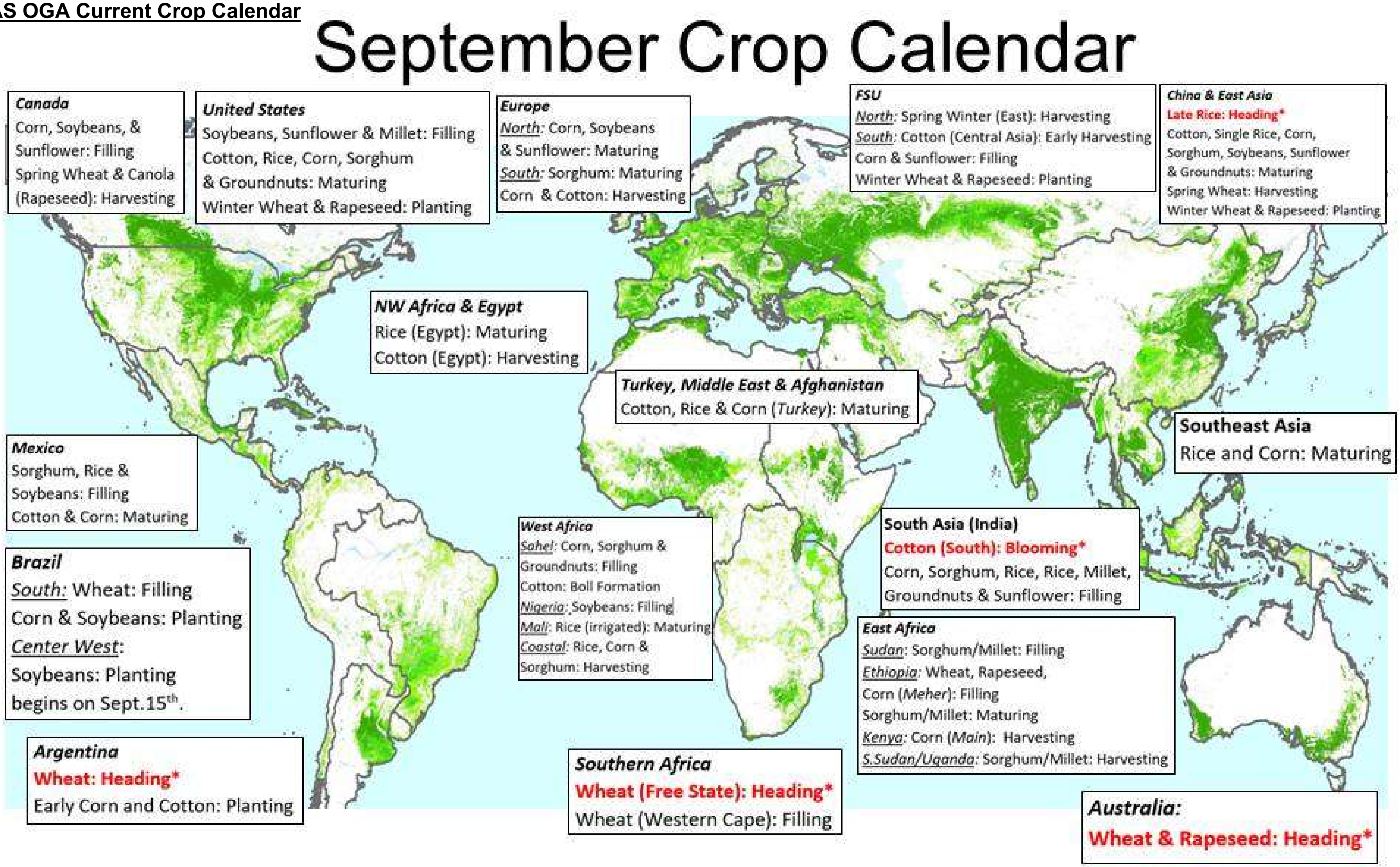
Marketing Years (MY)

MY refers to the 12-month period at the onset of the main harvest, when the crop is marketed (i.e., consumed, traded, or stored). The year first listed begins a country's MY for that commodity (2021/22 starts in 2021); except for summer grains in certain Southern Hemisphere countries and for rice in selected countries, where the second year begins the MY (2021/22 starts in 2022). Key exporter MY's are:

Wheat	Corn	Barley	Sorghum
Argentina (Dec/Nov)	Argentina (Mar/Feb)	Australia (Nov/Oct)	Argentina (Mar/Feb)
Australia (Oct/Sep)	Brazil (Mar/Feb)	Canada (Aug/Jul)	Australia (Mar/Feb)
Canada (Aug/Jul)	Russia (Oct/Sep)	European Union (Jul/Jun)	United States (Sep/Aug)
China (Jul/Jun)	South Africa (May/Apr)	Kazakhstan (Jul/Jun)	
European Union (Jul/Jun)	Ukraine (Oct/Sep)	Russia (Jul/Jun)	
India (Apr/Mar)	United States (Sep/Aug)	Ukraine (Jul/Jun)	
Kazakhstan (Sep/Aug)		United States (Jun/May)	
Russia (Jul/Jun)			
Turkey (Jun/May)			
Ukraine (Jul/Jun)			
United States (Jun/May)			

For a complete list of local marketing years, please see the FAS website (https://apps.fas.usda.gov/psdonline/): go to Reports, Reference Data, and then Data Availability.

➢ **USDA FAS OGA Current Crop Calendar**



*Crop stage sensitive to moisture and temperature stresses.

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https://ipad.fas.usda.gov/ogamaps/images/sept_calendar.gif