

# 2022 Grain Market Outlook

## K-State CropTalk Webinar Series

Monday, March 14, 2022

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UNIVERSITY

Department of Agricultural Economics



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### I. Grain Futures Closes, Changes & Market Carry on Friday, March 11, 2022

Corn Futures				Soybean Futures				Kansas HRW Wheat Futures			
Month	Close	Change	Carry /mo	Month	Close	Change	Carry /mo	Month	Close	Change	Carry /mo
Mar <sup>D</sup> 22	\$7.64 ½	↑ \$0.06 ¼	---	Mar <sup>D</sup> 22	\$16.90 ¾	↓ \$0.09 ¼	---	Mar <sup>D</sup> 22	\$10.75 ¾	↑ \$0.23 ½	---
<b>May<sup>L</sup> 22</b>	<b>\$7.62 ½</b>	↑ \$0.06 ¼	<b>-\$0.01</b>	<b>May<sup>L</sup> 22</b>	<b>\$16.76</b>	↓ \$0.10 ¼	<b>-\$0.07<sup>375</sup></b>	<b>May<sup>L</sup> 22</b>	<b>\$10.89 ¼</b>	↑ \$0.23 ½	\$0.06 ¾
July 22	\$7.28 ¾	↑ \$0.02 ¾	<b>-\$0.16<sup>875</sup></b>	July 22	\$16.51 ¼	↓ \$0.08 ¼	<b>-\$0.12<sup>375</sup></b>	<b>July<sup>H</sup> 22</b>	<b>\$10.81</b>	↑ \$0.23 ¾	<b>-\$0.04<sup>125</sup></b>
Sept 22	\$6.77	↓ \$0.00 ½	<b>-\$0.25<sup>75</sup></b>	Aug 22	\$16.10 ¼	↓ \$0.02 ½	<b>-\$0.41</b>	Sept 22	\$10.69	↑ \$0.23 ½	<b>-\$0.06</b>
<b>Dec<sup>H</sup> 22</b>	<b>\$6.55 ¼</b>	↑ \$0.03 ½	<b>-\$0.07<sup>25</sup></b>	Sep 22	\$15.34	↓ \$0.02 ¾	<b>-\$0.76<sup>25</sup></b>	Dec 22	\$10.61 ¼	↑ \$0.23 ½	<b>-\$0.02<sup>583</sup></b>
Mar 23	\$6.52 ¾	↑ \$0.03 ¾	<b>-\$0.08<sup>333</sup></b>	<b>Nov<sup>H</sup> 22</b>	<b>\$14.91</b>	↓ \$0.01 ¼	<b>-\$0.21<sup>50</sup></b>	Mar 23	\$10.37	↑ \$0.23	<b>-\$0.08<sup>167</sup></b>
May 23	\$6.50	↑ \$0.03 ½	<b>-\$0.01<sup>25</sup></b>	Jan 23	\$14.75	↓ \$0.01	<b>-\$0.08</b>	May 23	\$9.67	↑ \$0.25 ½	<b>-\$0.25</b>
July 23	\$6.46 ¼	↑ \$0.02 ¾	<b>-\$0.01<sup>875</sup></b>	Mar 23	\$14.31 ¼	↑ \$0.02 ¼	<b>-\$0.21<sup>875</sup></b>	July 23	\$8.17 ¼	↑ \$0.23 ¾	<b>-\$0.74<sup>875</sup></b>

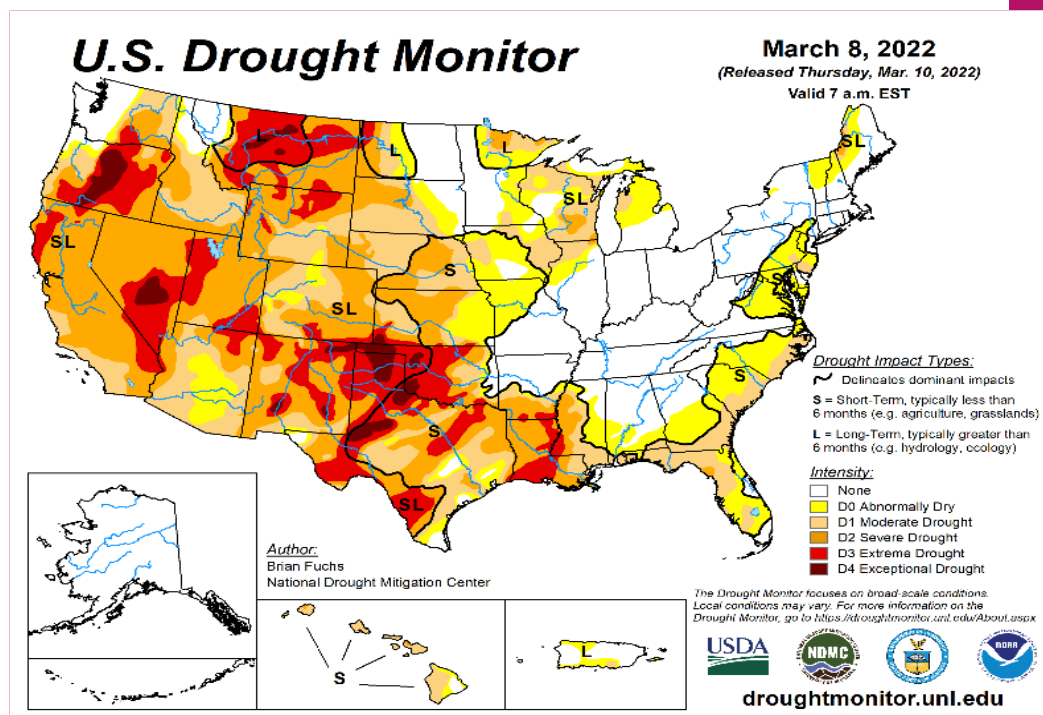
# Our Focus.....

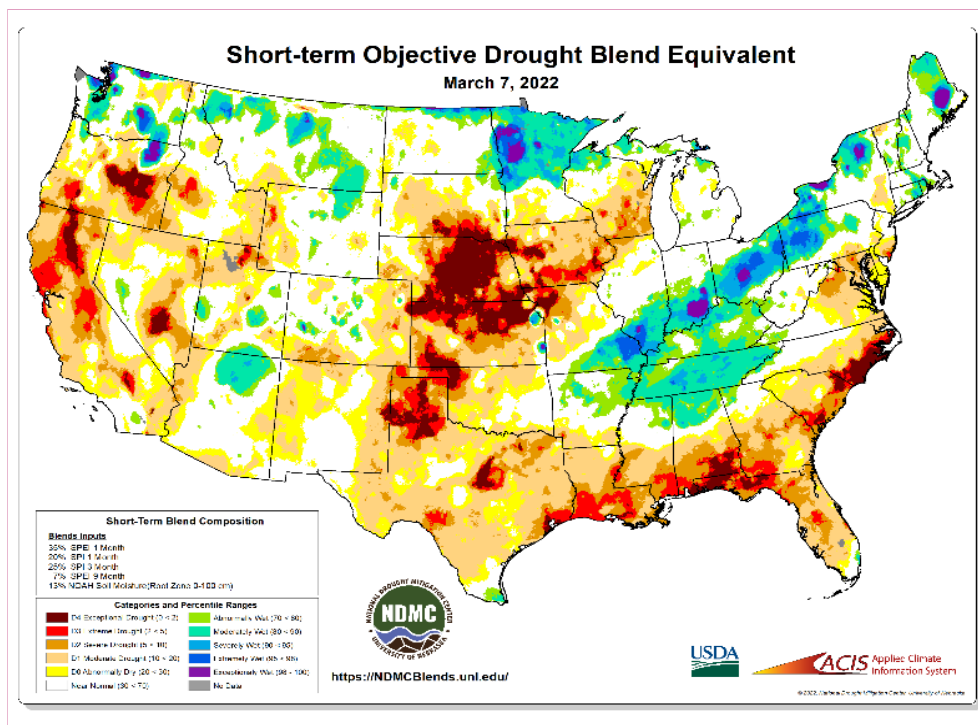
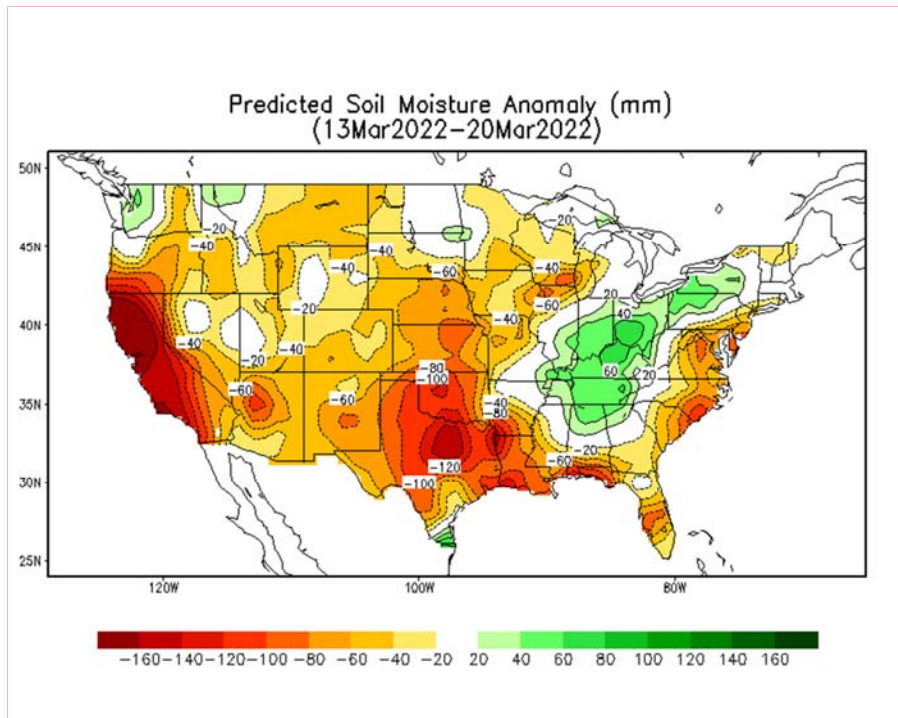
## 1) Key Grain Market Factors in 2022-2023

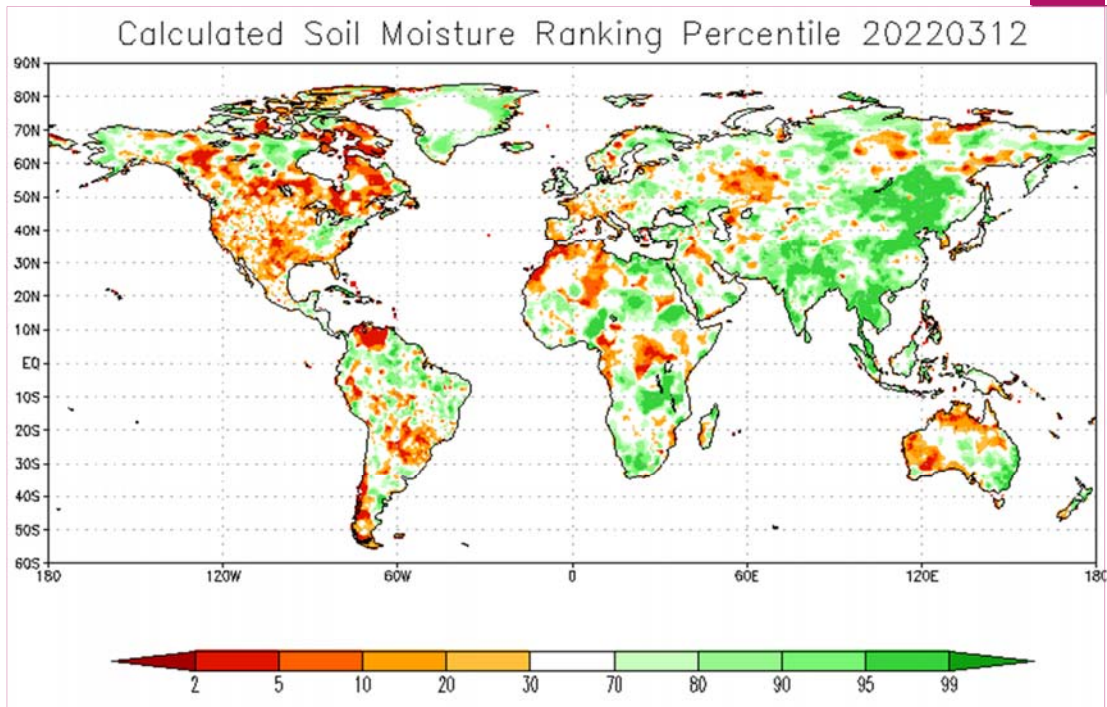
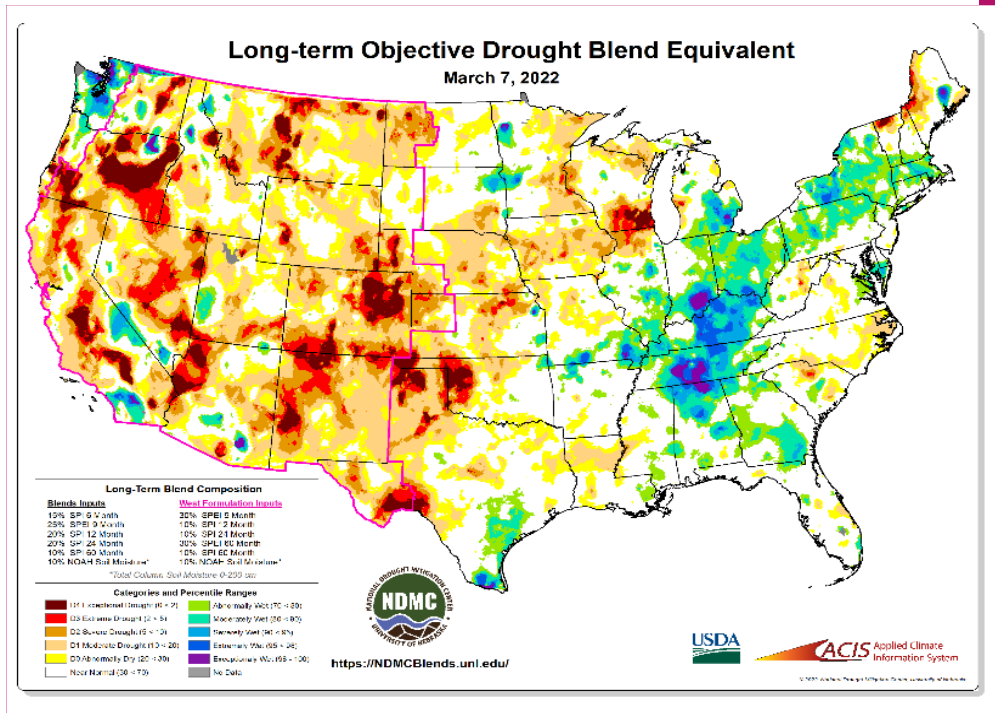
- Supply-Demand Issues U.S.-World ⇔ "tight" Stocks/Use - "high" Price\$

## 2) Grain Market Analysis & Outlook

- Corn
  - Sorghum
  - Wheat
  - Soybeans







# Anticipating 2022 U.S. Crop Acres

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## □ U.S. Crop Plantings for 2022

- **Wheat** <sup>2022-23</sup>      *48.0 mln ac*    ➔ *Up 2.8% vs 46.7 ma<sup>2021</sup>*
- **Soybeans** <sup>2022</sup>      *88.0 mln ac*    ➔ *Up 0.9% vs 87.2 ma<sup>2021</sup>*
- **Corn** <sup>2022</sup>      *92.0 mln ac*    ➔ *Down 1.5% vs 93.4 ma<sup>2021</sup>*
- **Sorghum** <sup>2022</sup>      *6.5 mln ac*    ➔ *Down 11.0% vs 7.3 ma<sup>2021</sup>*
- **Cotton** <sup>2022</sup>      **Up+?**    ➔ *Strong MY 2021/22 Markets, moisture?*

Q?: Has recent price strength changed farmer's planting intentions?

# Corn & Sorghum Markets

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# U.S. Corn S/D & Stocks USDA Outlook Conf, February 2022

□ Corn: "OK" Stocks & % S/U @ \$5.00 /bu U.S. Farm\$ ??????

- Production 2022/23 ⇒ 15.240 bln bu (vs 15.115 bb last year)
- Ending Stocks 2022/23 ⇒ 1.865 bln bu (vs 1.440 bb last year)
- % Stocks/Use 2022/23 ⇒ 12.6% S/U (↑ vs 9.6% S/U last year)
- U.S. Farm \$ 2022/23 ⇒ \$5.00 /bu (\$4.53 & \$5.65 last 2 years)



**Kansas Corn Seasonal Prices:** MY 1999/00 – MY 2019/20 plus "Current Crop" MY 2021/22 & "New Crop" MY 2022/23 as of March 11, 2022



# Daily CME MAY 2022 Corn Futures

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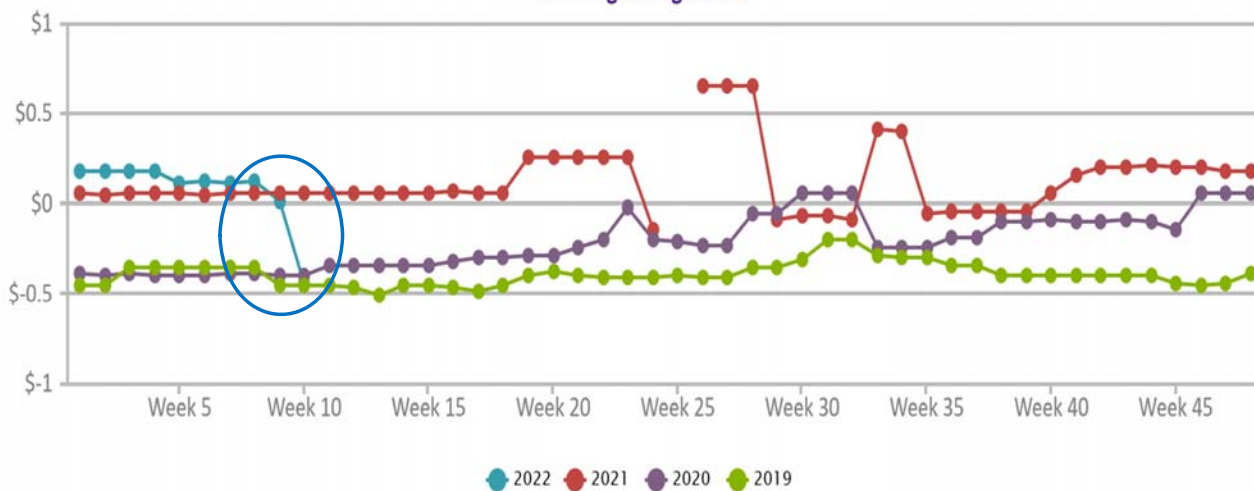


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Kansas Cash & Futures Prices						
Date						
3/11/2022						
Grain Futures Contracts		Closing \$				
MAY 2022 Corn (Lead contract)		\$7.6250				
DEC 2022 Corn (2022 Harvest Contract)		\$6.5525				
3/11/2022 Cash Grain & Harvest Contract Prices @ Kansas Grain Elevators						
Representing the highest bids available at each location						
Cash Market Spot & FC Bids	Colby	Salina	Topeka	Garden City	Hutchinson	Columbus Area
	NW KS	NC KS	EC-NE KS	SW KS	SC KS	SE KS
Corn Spot Cash\$	\$7.63	\$7.09	\$7.63	\$8.08	\$7.32	\$7.63
Corn Spot Cash Basis	\$0.00	(\$0.54)	\$0.00	\$0.45	(\$0.31)	\$0.00
Corn Harvest FC\$: Fall 2022	\$6.35	\$6.35	\$6.25	\$6.70	\$6.40	\$6.30
Corn Harvest FC\$ Basis	(\$0.20)	(\$0.20)	(\$0.30)	\$0.15	(\$0.15)	(\$0.25)

### HAYS , KS: Corn Basis - MIDLAND MARKETING

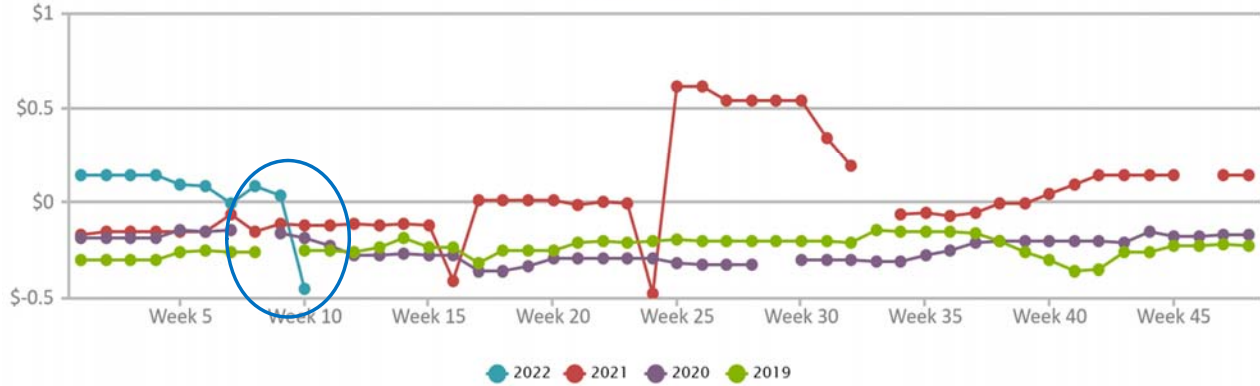
www.AgManager.info





### SALINA, KS: Corn Basis - CARGILL

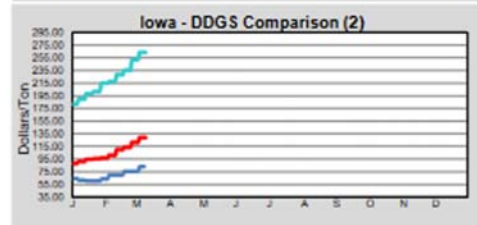
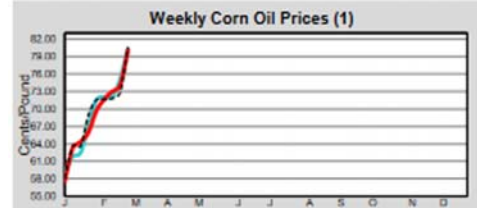
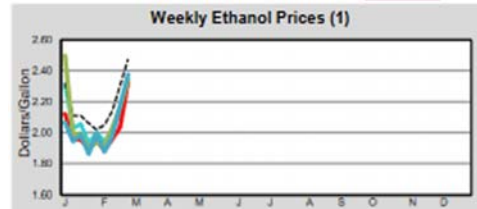
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USDA Daily Ethanol Report  
Agricultural Marketing Service  
Livestock, Poultry & Grain Market News

Fri. Mar 11, 2022

US #2 Yellow Corn - dollars/bushel				
	Cash Bids	Chg	Basis	Avg:
Iowa-Eastern:	7.0600 - 7.3100	↑	-20N to 5N	-17.42
Iowa-Western:	7.0575 - 7.4000	↑	-50K to 14N	-11.64
Illinois:	7.3000 - 7.5575	↑	4N to OptK	1.83
Indiana:	6.9600 - 7.3600	↑	-30N to 10N	-17.50
Ohio:	7.0100 - 7.2600	↑	-25N to OptN	-16.67
Michigan:	6.9600 - 7.0575	↑	-30N to -50K	-36.67
<b>Kansas:</b>	<b>7.4075 - 7.5575</b>	<b>↑</b>	<b>-15K to OptK</b>	<b>-8.67</b>
Minnesota:	6.9600 - 7.2100	↑	-30N to -5N	-21.83
Nebraska:	7.0075 - 7.3100	↑	-55K to 5N	-13.67
Wisconsin:	6.8400 - 7.0600	↑	-42N to -20N	-42.80
South Dakota:	6.9375 - 7.2700	↑	-62K to 1N	-12.67
Missouri:	7.1575 - 7.4600	↑	-40K to 20N	-2.50



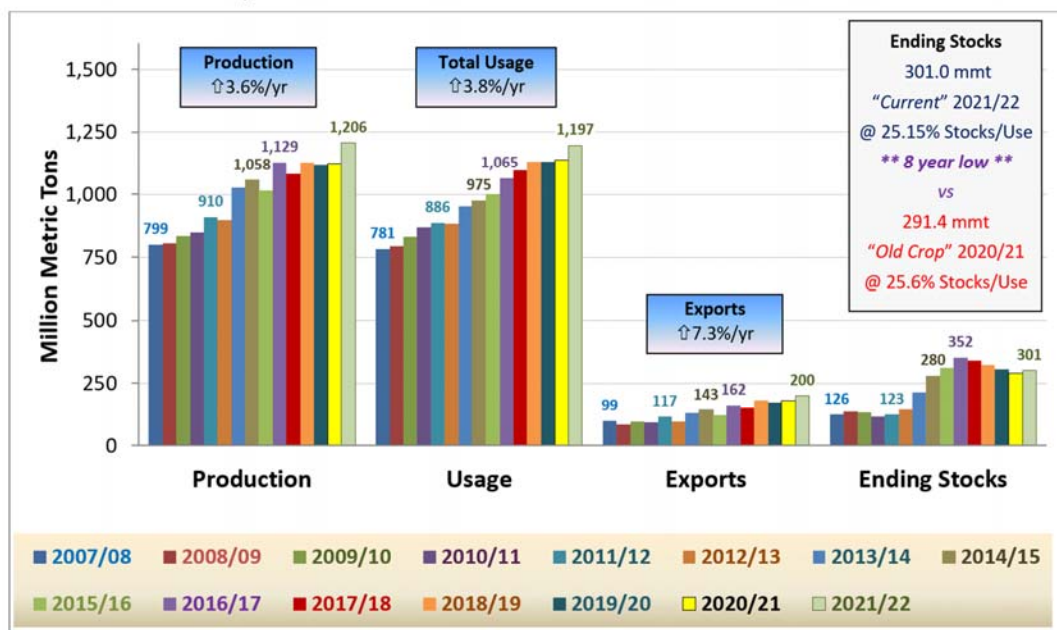
(1) IA NE --- ECB SD KS  
(2) Dried Modified Wet

## U.S. Corn Exports: “Bullish” short-term corn shipments with “Bullish” long-term “New Crop” MY 2021/22 total sales

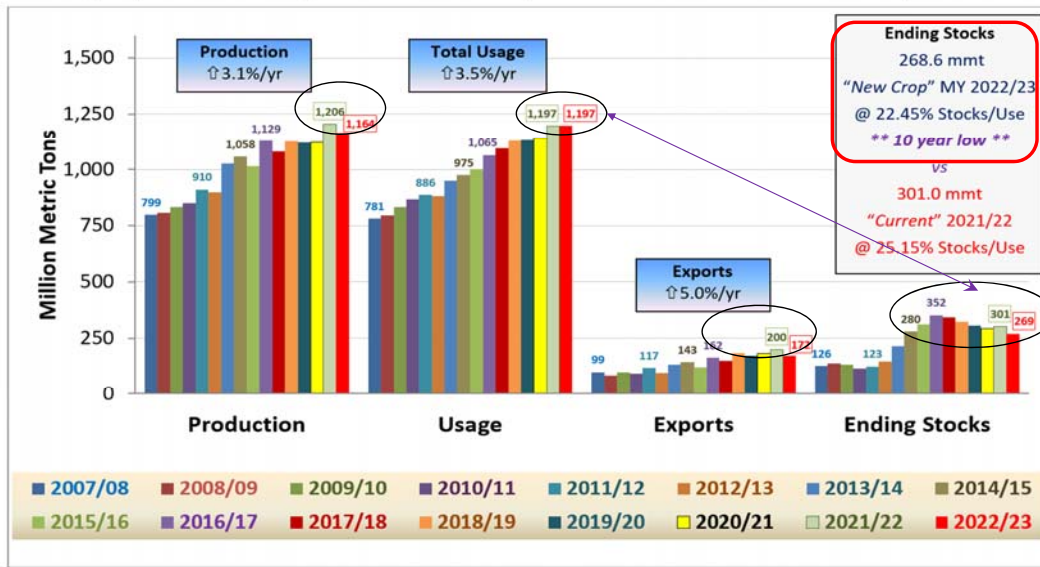
- Weekly Export Shipments week of 3/3/2022 = 69.4 mb (Bullish) vs 54.5 mb/wk needed to meet USDA’s March 9<sup>th</sup> projn of **2.500 bb exports**
- Total shipments through 3/3/2022 for “New Crop” MY 2021/22 = 1.083,9 mb i.e., 43.4% of **2.500 bb** USDA projn with 50.0% of MY complete (26/52 weeks)
- Total sales through 3/3/2022 for “New Crop” MY 2021/22 = 1.976,3 bb (Bullish) i.e., 79.05% of **2.500 bb** USDA projn w. 50.0% of MY complete (26/52 weeks)

## World Corn Supply-Demand: MY 2007/08 – “Current” MY 2021/22, as of the March 9, 2022 USDA WASDE Report

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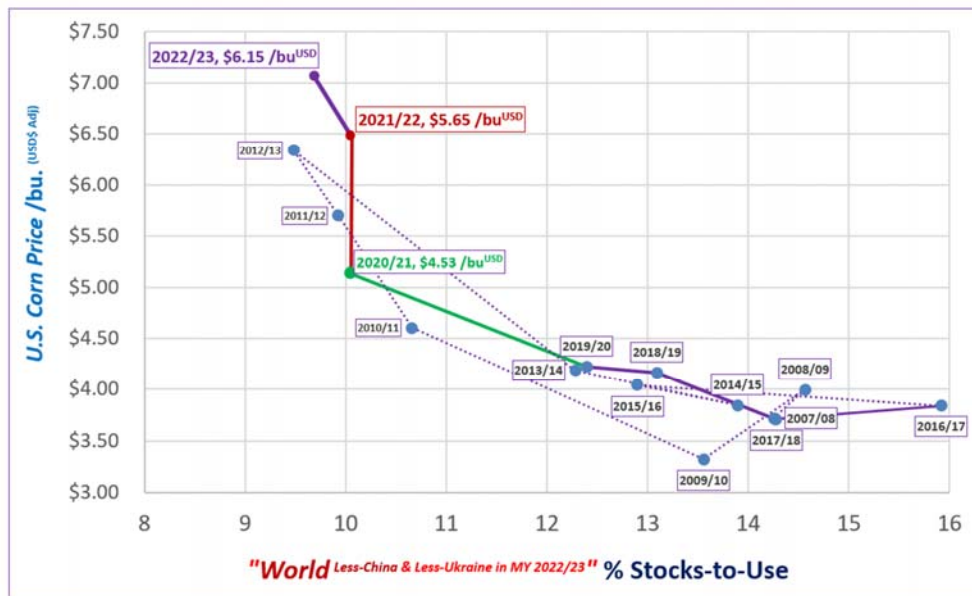


**World Corn Supply-Demand** *Less Ukraine in 2022/23*: MY 2007/08 – “Current” MY 2021/22, as of the March 9, 2022 USDA WASDE Report with **KSU Estimates for MY 2022/23**



**U.S. Corn \$<sup>USD\$ Adj.</sup> vs “World *Less-China, & Less-Ukraine in 2022/23*” % Corn S/U:**

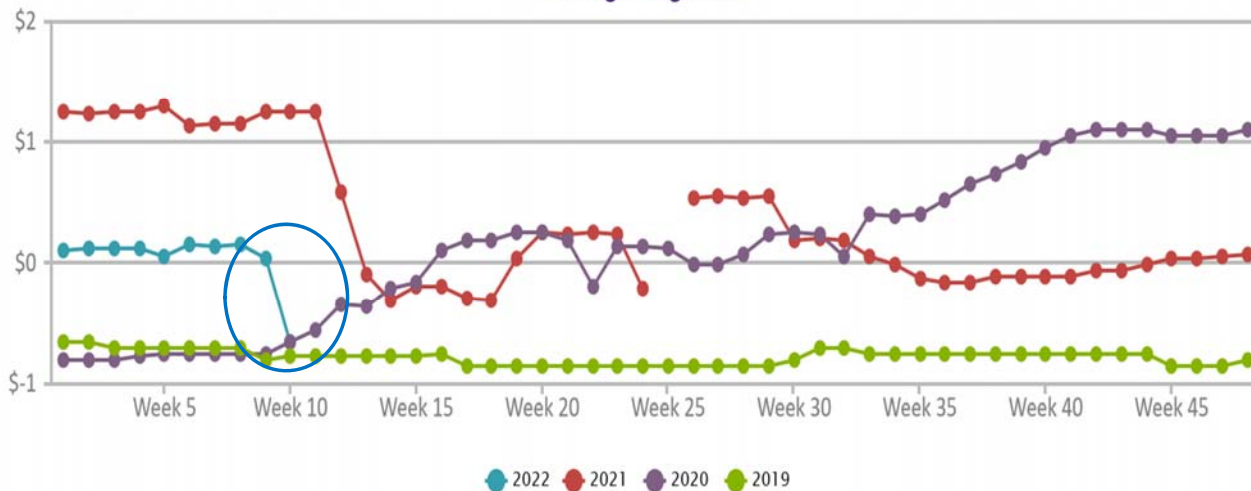
MY 2007/08 – “New Crop” MY 2022/23 as of the March 9, 2022 WASDE



Kansas Cash & Futures Prices						
Date	3/11/2022					
Grain Futures Contracts	Closing \$					
MAY 2022 Corn <small>(Lead contract)</small>	\$7.6250					
DEC 2022 Corn <small>(2022 Harvest Contract)</small>	\$6.5525					
3/11/2022 Cash Grain & Harvest Contract Prices @ Kansas Grain Elevators						
<i>Representing the highest bids available at each location</i>						
Cash Market Spot & FC Bids	Colby	Salina	Topeka	Garden City	Hutchinson	Columbus <sup>Area</sup>
	NW KS	NC KS	EC-NE KS	SW KS	SC KS	SE KS
<b>Corn Spot Cash\$</b>	\$7.63	\$7.09	\$7.63	\$8.08	\$7.32	\$7.63
<i>Corn Spot Cash Basis</i>	\$0.00	(\$0.54)	\$0.00	\$0.45	(\$0.31)	\$0.00
<b>Corn Harvest FC\$:</b> Fall <sup>2022</sup>	\$6.35	\$6.35	\$6.25	\$6.70	\$6.40	\$6.30
<i>Corn Harvest FC\$ Basis</i>	(\$0.20)	(\$0.20)	(\$0.30)	\$0.15	(\$0.15)	(\$0.25)
<b>Grain Sorghum Spot Cash\$</b>	\$7.40	\$7.23	\$7.23	\$7.53	\$7.29	\$7.57
<i>Sorghum Spot Cash Basis</i>	(\$0.23)	(\$0.40)	(\$0.40)	(\$0.10)	(\$0.34)	(\$0.05)
<b>Grain Sorghum Harvest FC\$:</b> Fall <sup>2022</sup>	\$6.60	\$6.35	\$6.35	\$6.20	\$6.35	\$6.15
<i>Sorghum Harvest FC\$ Basis</i>	\$0.05	(\$0.20)	(\$0.20)	(\$0.35)	(\$0.20)	(\$0.40)

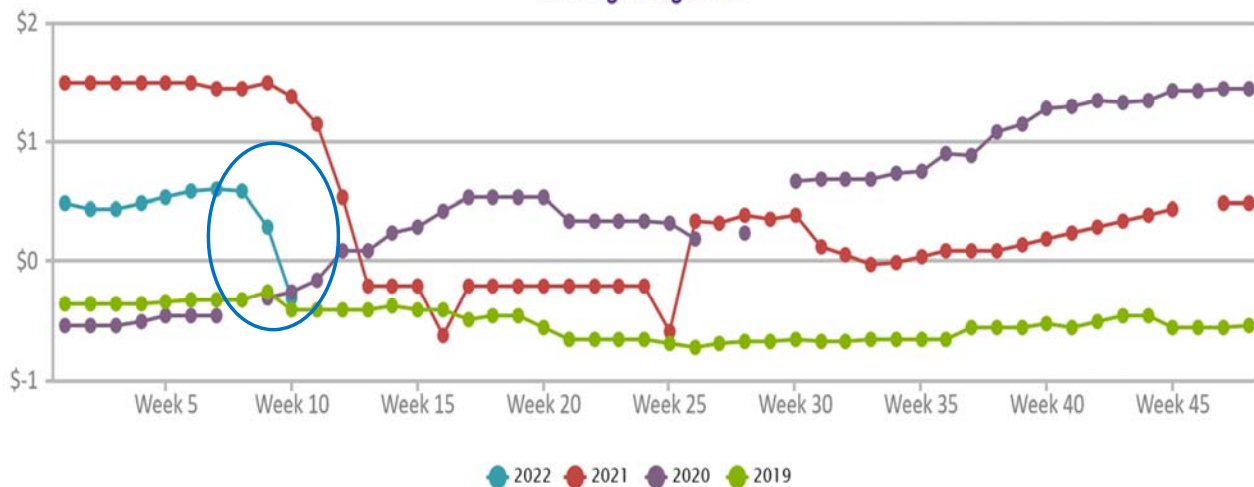
### HAYS , KS: Grain Sorghum Basis - MIDLAND MARKETING

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## SALINA, KS: Grain Sorghum Basis - CARGILL

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### **U.S. Grain Sorghum Exports: “Positive” short-term shipments & “Bullish” sales in “New Crop” MY 2021/22**

- Weekly Export Shipments week of 3/3/2022 for MY 2021/22 = 8.113 mb (Positive) vs 7.40 mb/wk needed to meet USDA’s March 9<sup>th</sup> projn of **310 mb exports**
- Total shipments through 3/3/2022 for “New Crop” MY 2021/22 = 117.6 mb i.e., 37.9% of **310 mb** USDA projn with 50.0% of MY complete (26/52 weeks)
- Total sales through 3/3/2022 for “New Crop” MY 2021/22 = 262.8 mb (Bullish) i.e., 87.8% of **310 mb** USDA projn w. 50.0% of MY complete (26/52 weeks)

# Wheat Markets

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## U.S. Wheat S/D & Stocks USDA Outlook Conf, Feb. 2022

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□ Wheat: "OK" Stocks & % S/U @ \$6.80 /bu<sup>U.S. Farm\$</sup> ??????

○ Production <sup>2022/23</sup> ⇒ 1.940 bln bu (vs 1.646 bb last year)

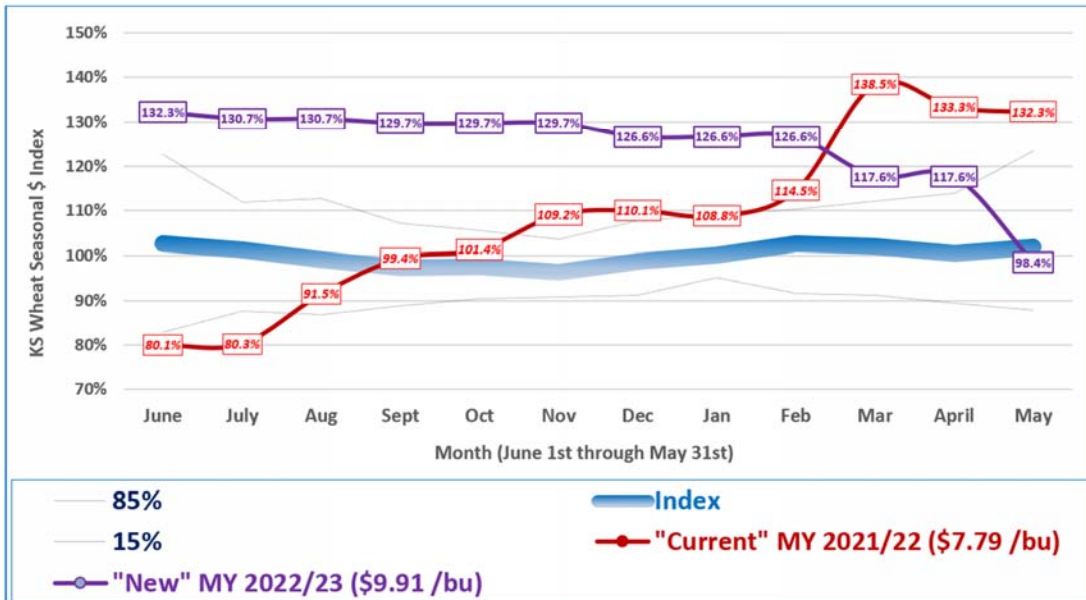
○ Ending Stocks <sup>2022/23</sup> ⇒ 736 mln bu (vs 653 mb last year)

○ % Stocks/Use <sup>2022/23</sup> ⇒ 37.2% S/U (↑ vs 33.8% S/U last year)

○ U.S. Farm \$ <sup>2022/23</sup> ⇒ \$6.80 /bu (\$5.05 & \$7.50 last 2 years)

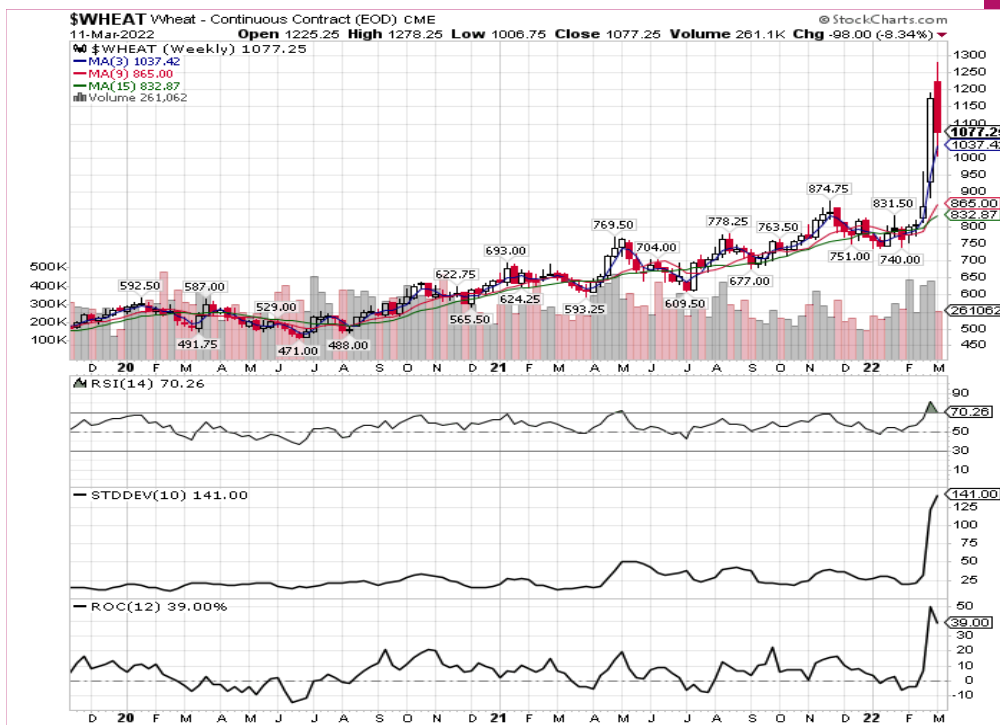
# Seasonal Prices for Kansas Hard Red Winter Wheat:

MY 1999/00 – 2019/20 + "Current" MY 2021/22 & "New" MY 2022/23 Ests. thru 3/11/2022



# Daily MAY 2022 KS HRW Wheat





Kansas Cash & Futures Prices						
Date						
3/11/2022						
Grain Futures Contracts		Closing \$				
MAY 2022 KC HRW Wheat (Lead Contract)		\$10.8925				
JULY 2022 KC HRW Wheat (Harvest Contract)		\$10.8100				
3/11/2022		Cash Grain & Harvest Contract Prices @ Kansas Grain Elevators				
<i>Representing the highest bids available at each location</i>						
Cash Market Spot & FC Bids	Colby	Salina	Topeka	Garden City	Hutchinson	Columbus <sup>Area</sup>
	NW KS	NC KS	EC-NE KS	SW KS	SC KS	SE KS
KC HRW Wheat Spot Cash\$	\$9.81	\$10.56	\$10.56	\$10.04	\$10.56	\$9.99
HRW Wheat Spot Cash Basis	(\$1.08)	(\$0.33)	(\$0.33)	(\$0.85)	(\$0.33)	(\$0.90)
KC HRW Wheat FC\$ - Harvest <sup>2022</sup>	\$9.81	\$10.44	\$10.36	\$10.11	\$10.56	\$9.46
HRW Wheat Harvest FC\$ Basis	(\$1.00)	(\$0.37)	(\$0.45)	(\$0.70)	(\$0.25)	(\$1.35)





**U.S. All Wheat Exports: "Negative" short-term Export Shipments with "Neutral" longer term export prospects for "Current" MY 2021/22**

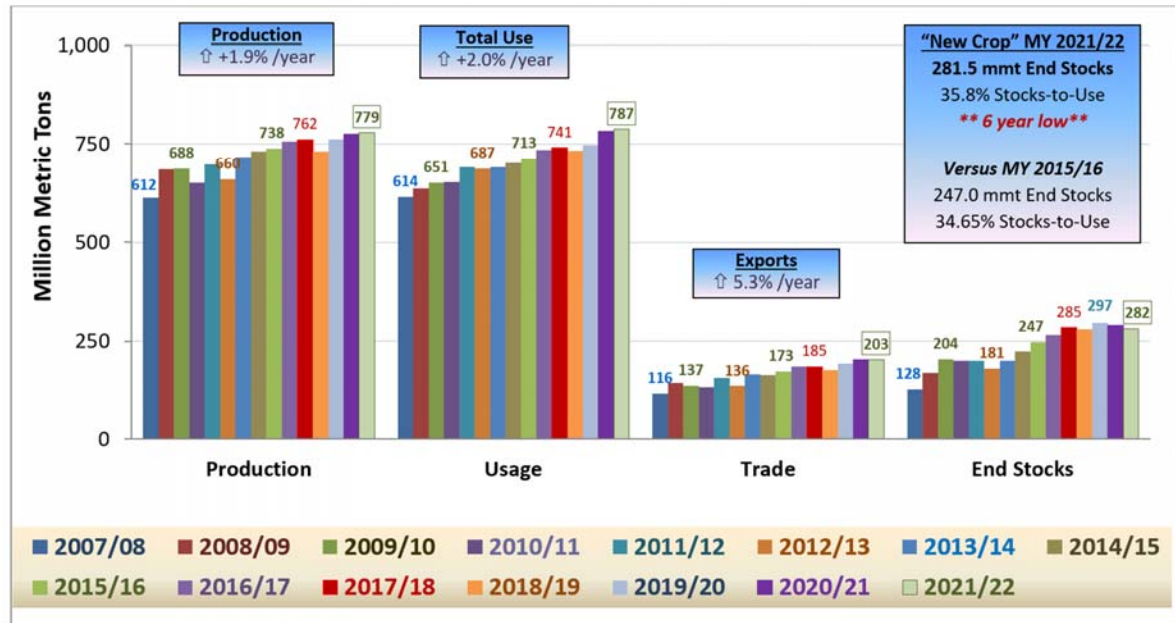
- Weekly Export Shipments wk of 3/3/2022 for "Current" MY 2021/22 = 14.1 mb (Negative) vs 22.18 mb /wk needed to meet USDA's March 9th projn of 800 mb exports
- Total shipments through 3/3/2022 for "Current" MY 2021/22 = 533.9 mb i.e., 66.7% of 800 mb USDA projn with 76.9% of MY complete (40/52 weeks)
- Total shipments + new sales thru 3/3/2022 for "Current" MY 2021/22 = 683.0 mb i.e., 85.4% of 800 mb USDA #'s with 76.9% of MY complete (40/52 weeks) (Neutral)
- Total new sales thru 3/3/2022 for "New Crop" MY 2022/23 = 25.0 mb (0/52 weeks)

**U.S. Hard Red Winter (HRW) Wheat Exports: "Negative" short-term Shipments with "Neutral" long-term prospects for "Current" MY 2021/22 total sales**

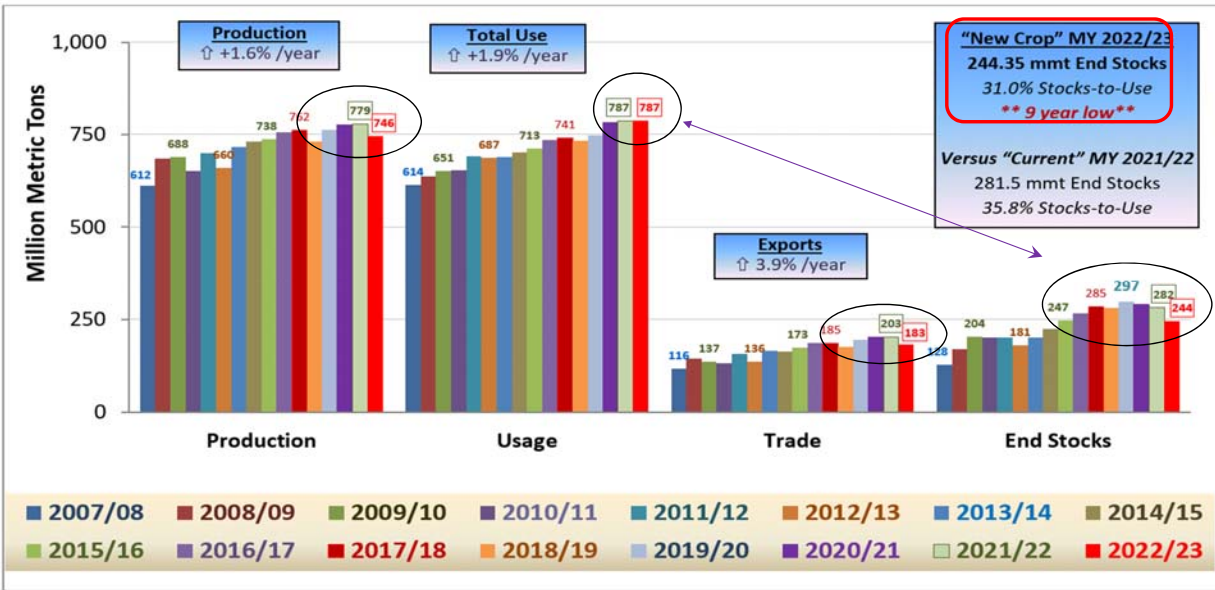
- Weekly Export Shipments wk of 3/3/2022 for "New Crop" MY 2021/22 = 6.70 mb (Negative) vs 9.35 mb /wk needed to meet USDA's February 9th projn of 320 mb HRW wheat exports
- Total shipments through 3/3/2022 for "Current" MY 2021/22 = 207.8 mb i.e., 64.9% of 320 mb USDA HRW-W exports with 76.9% of MY complete (40/52 weeks)
- Total shipments + new sales thru 3/3/2022 for "Current" MY 2021/22 = 273.0 mb i.e., 85.3% of 320 mb USDA HRW-W exports w. 76.9% of MY complete (40/52 weeks) (Neutral)

**World Wheat Usage & Ending Stocks: MY 2007/08 - "New Crop" MY 2021/22, as of the March 9,**

2022 USDA WASDE Report

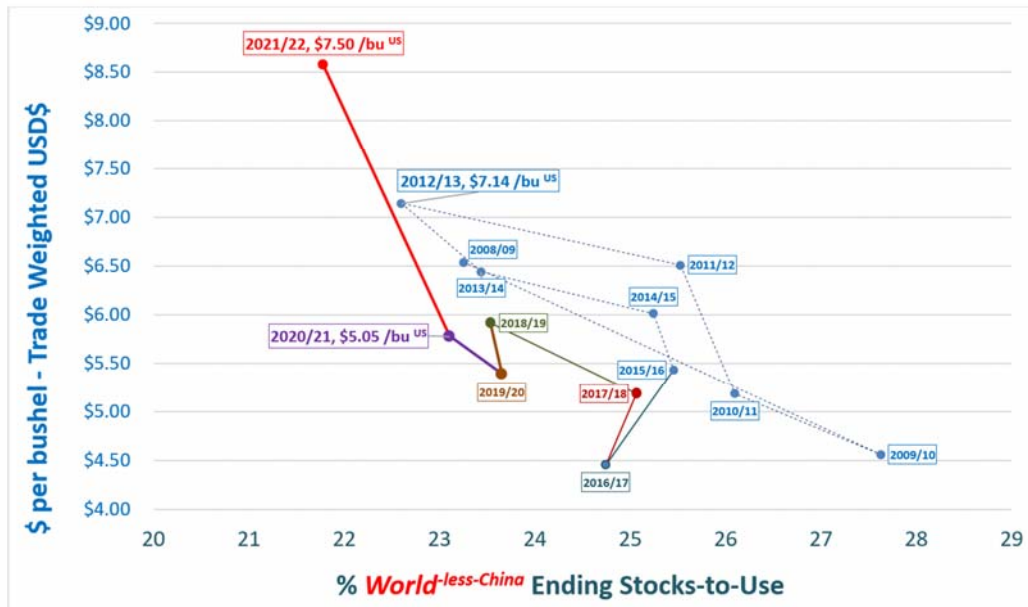


**"World Less-Ukraine in 2022/23" Wheat Usage & Ending Stocks: MY 2007/08 - "Current Crop" MY 2021/22,**  
 as of the March 9, 2022 USDA WASDE Report + KSU Estimates for "New Crop" MY 2022/23 Less Ukraine



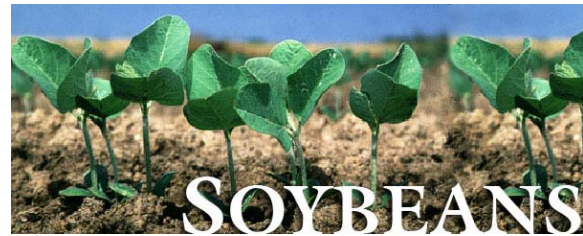
**U.S. Wheat Price *Trade Wtd USD\$ Adj* vs "World Less-China" % Stocks-to-Use:**

MY 2008/09 through "New Crop" MY 2021/22 as of the March 9, 2021 USDA WASDE report



# Soybean Markets

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## U.S. Soybean S/D & Stocks USDA Outlook Conf, Feb. 2022

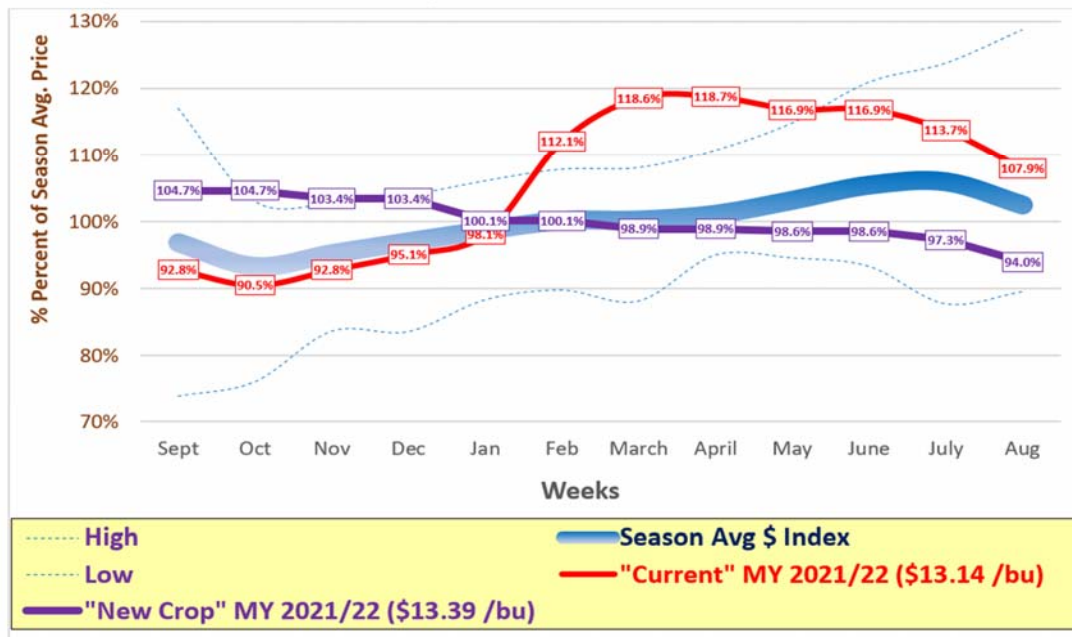
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### □ Soybean: "Tight" Stocks & % S/U @ \$12.75 /bu<sup>U.S. Farm\$</sup> ?????

- Production <sup>2022/23</sup> ⇒ 4.490 bln bu (vs 4.435 bb last year)
- Ending Stocks <sup>2022/23</sup> ⇒ 265 mln bu (vs 285 mb last year)
- % Stocks/Use <sup>2022/23</sup> ⇒ 5.86% S/U (↑ vs 6.45% S/U last year)
- U.S. Farm \$ <sup>2022/23</sup> ⇒ \$12.75 /bu (\$10.80 & \$13.25 last 2 yrs)

## Kansas Soybean Seasonal Prices: MY 1999/00 – MY 2020/21 + "Old Crop" MY 2021/22 & "New Crop" MY 2022/23 Estimates, March 11, 2022

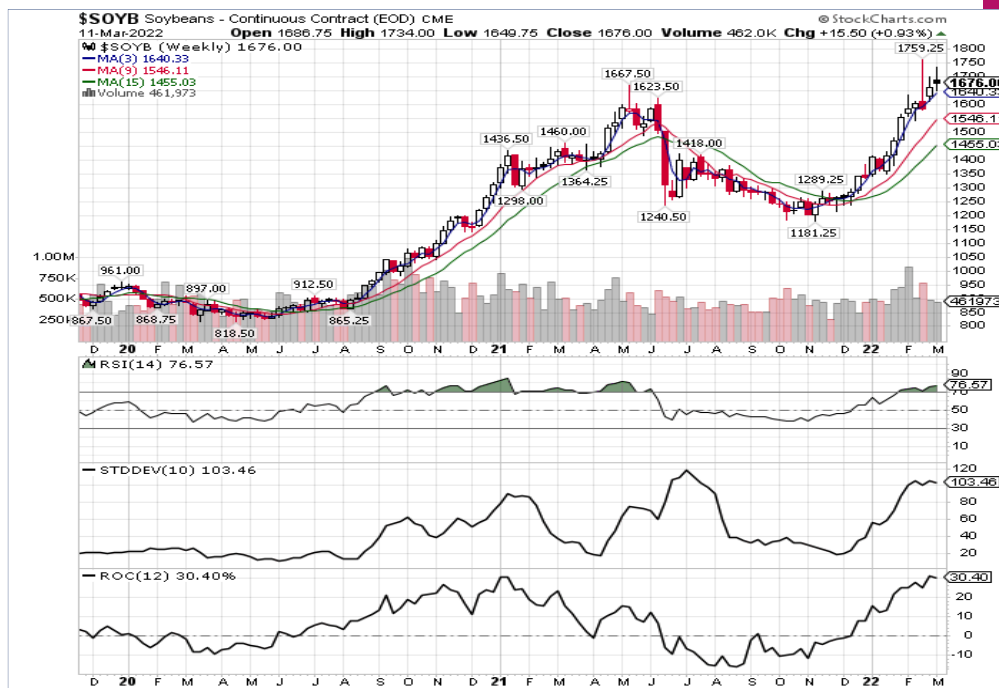
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## Daily MAY 2022 Soybean Futures

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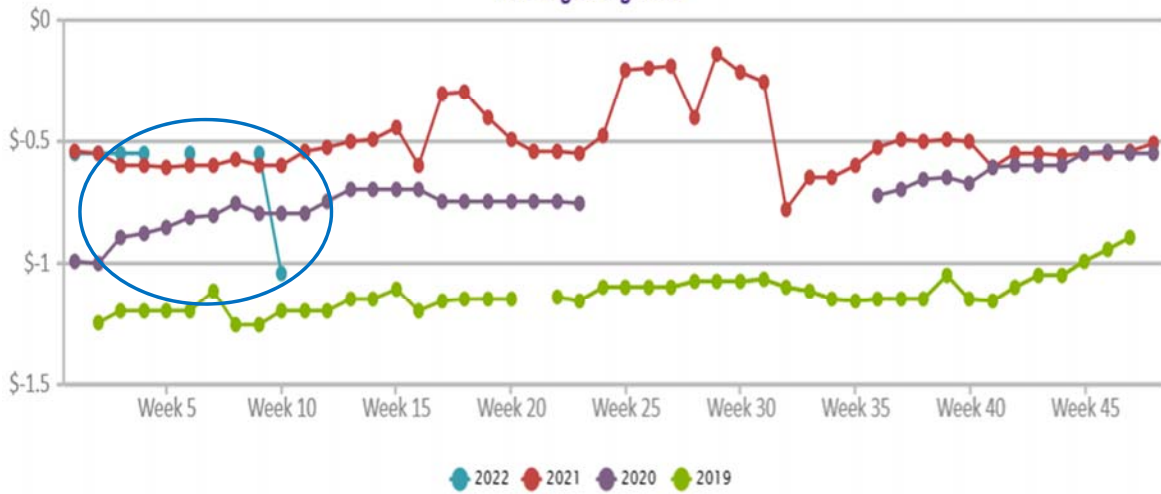




Kansas Cash & Futures Prices						
Date						
3/11/2022						
Grain Futures Contracts		Closing \$				
MAY 2022 Soybeans (Lead Contract)		\$16.7600				
NOV 2022 Soybeans (2022 Harvest Contract)		\$14.9100				
3/11/2022		Cash Grain & Harvest Contract Prices @ Kansas Grain Elevators				
Representing the highest bids available at each location						
Cash Market Spot & FC Bids	Colby	Salina	Topeka	Garden City	Hutchinson	Columbus <sup>Area</sup>
	NW KS	NC KS	EC-NE KS	SW KS	SC KS	SE KS
<b>Soybean Spot Cash\$</b>	\$15.51	\$16.21	\$16.46	\$15.81	\$16.36	\$16.26
<i>Soybean Spot Cash Basis</i>	(\$1.25)	(\$0.55)	(\$0.30)	(\$0.95)	(\$0.40)	(\$0.50)
<b>Soybean Harvest FC\$: Fall<sup>2022</sup></b>	\$13.86	\$14.36	\$14.36	\$13.96	\$14.31	\$14.21
<i>Soybean Harvest FC\$ Basis</i>	(\$1.05)	(\$0.55)	(\$0.55)	(\$0.95)	(\$0.60)	(\$0.70)

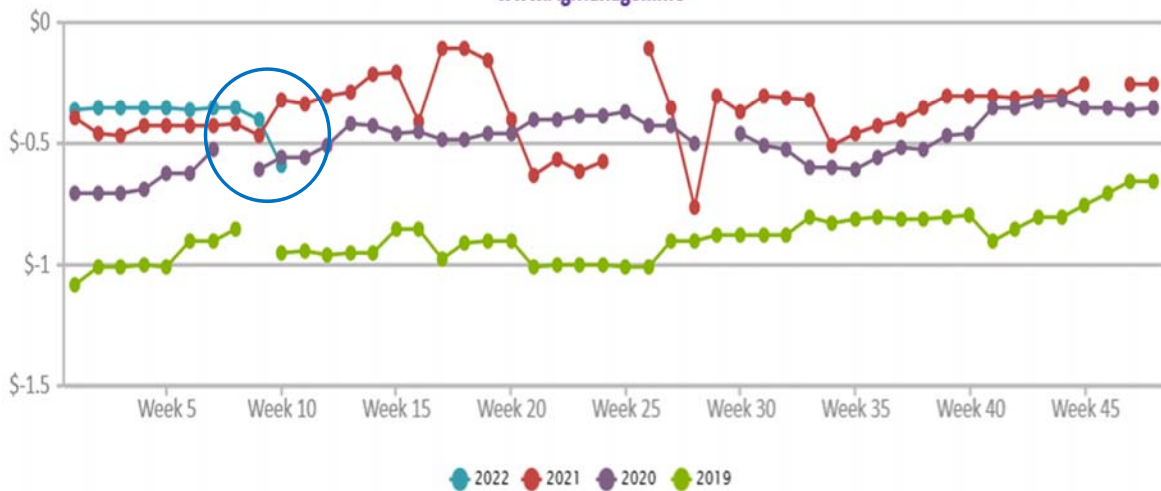
### DOWNS, KS: Soybeans Basis - SCOLAR GRAIN CO

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### SALINA, KS: Soybeans Basis - CARGILL

www.AgManager.info



❖ **U.S. Soybean Exports: “Bullish short-term export shipments and “Bullish” for “Current” MY 2021/22 sales**

- Weekly Export Shipments week of 3/3/2022 for “Current” MY 2021/22 = 30.7 mb (Bullish) vs 21.58 mb /wk needed to meet USDA’s March 9th projn of 2.090 bb exports
- Total shipments through 3/3/2022 for “Current” MY 2021/22 = 1.528,9 bb i.e., 73.15% of 2.090 bb USDA projn with 50.0% of MY complete (26/52 weeks)
- Total sales through 3/3/2022 for “Current” MY 2021/22 = 1.924,3 mb (Bullish) i.e., 92.1% of 2.090 bb USDA<sup>KSU</sup> projn w. 50.0% of MY complete (26/52 weeks)

❖ **U.S. Soybean Meal Exports: “Bullish ” short-term export shipments in “New Crop” MY 2021/22, with “Positive” “Current” MY 2021/22 sales** 48

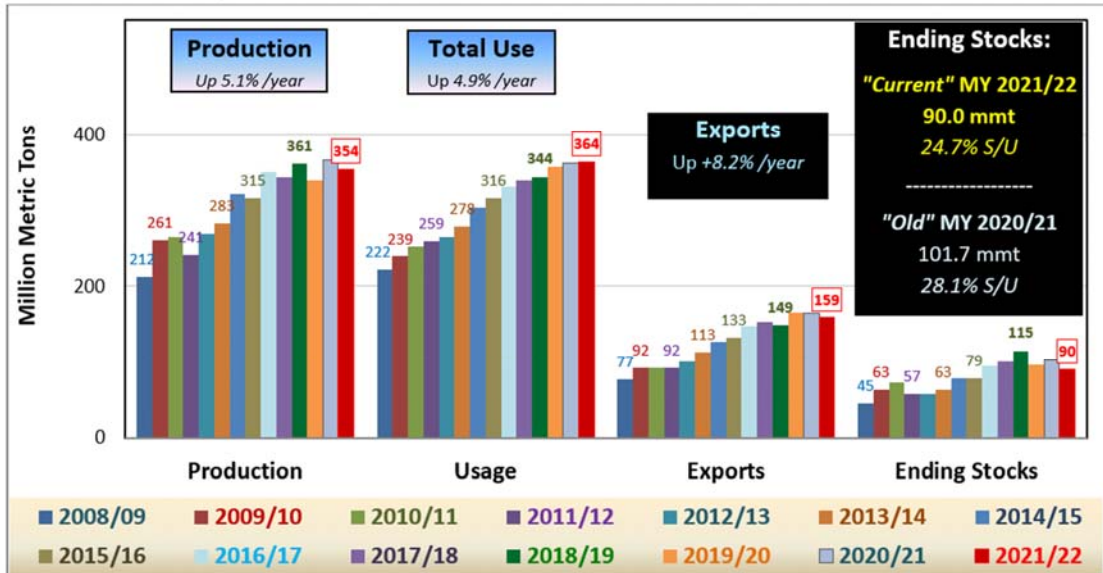
- Export Shipments for week of 3/3/2022 for “Current” MY 2021/22 = 253,100 mt (Bullish) vs 253,963 mt/wk needed to meet USDA’s March 9th projn of 13,060 mmt exports
- Total shipments through 3/3/2022 for “Current” MY 2021/22 = 5.441,100 mmt i.e., 41.7% of 13.060 mmt USDA projn with 42.3% of MY complete (22/52 weeks)
- Total shipments & new sales (3/3/2022) for “Current” MY 2021/22 = 8.328,3 mmt i.e., 63.8% of 13.060 mmt USDA projn with 42.3% of MY complete (22/52 wks) (Positive)

❖ **U.S. Soybean Oil Exports: “Bullish” short-term export shipments in “current” MY 2020/21 and “Bullish” intermediate-term “current” MY total sales**

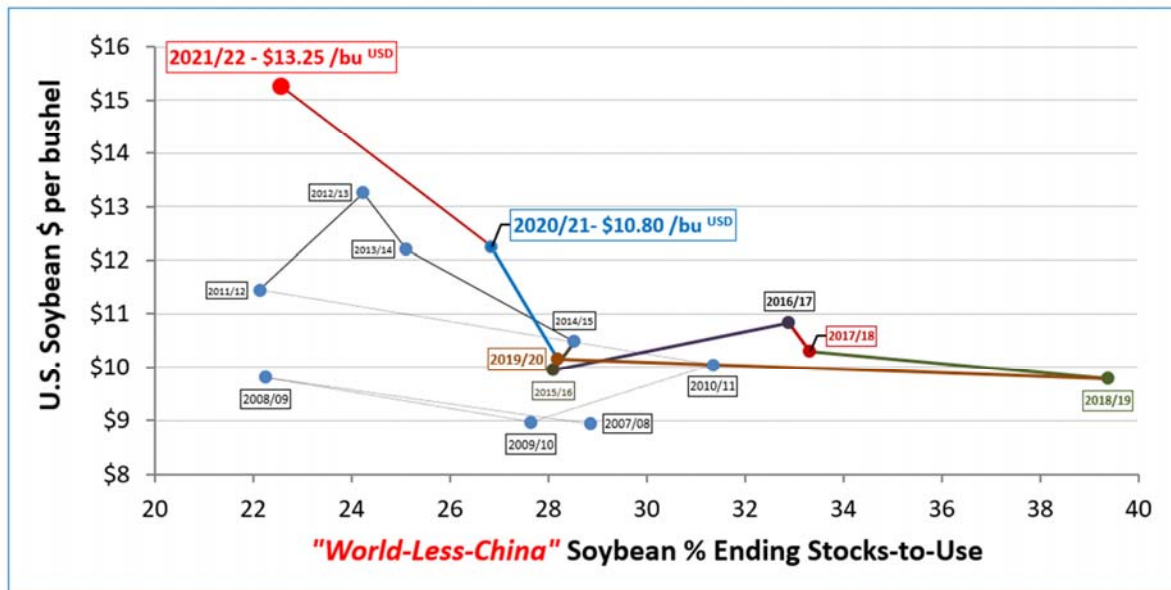
- Export Shipments for week of 3/3/2022 for “Current” MY 2021/22 = 16,500 mt (Bullish) vs 8,027 mt/wk needed to meet USDA’s March 9th projn of 650,000 mt exports
- Total shipments through 3/3/2022 for “Current” MY 2021/22 = 409,200 mt i.e., 62.95% of 650,000 mt USDA projn with 42.3% of MY complete (22/52 weeks)
- Total shipments & new sales (3/3/2022) for “Current” MY 2021/22 = 581,700 mt i.e., 89.5% of 650,000 mt USDA projn with 42.3% of MY complete (22/52 wks) (Bullish)



# World Soybean Usage & Ending Stocks: MY 2008/09 through "New Crop" MY 2021/22 as of the March 9, 2022 WASDE Report



# U.S. Soybean \$<sup>USD</sup>\$ Adj vs "World Less-China" % Stocks-to-Use: MY 2007/08 through "New Crop" MY 2021/22 as of the March 9, 2022 WASDE Report



# Recent Cash Grain Bid / Basis Issues March 2022

- Spot HRW basis bid offers in KS, OK, TX southern U.S. Plains were affected by sharply higher wheat futures prices – occurring on **Tuesday, 3/8/2022**
  - Grain dealers **rolled their basis bids** to *sharply discounted deferred K.C. wheat contracts* relative to the **higher volume CME KS HRW-W MAY 2022 Contract**.
  - Selected grain dealers were posting **no bids** for HRW-W – citing *current high wheat prices* as the reason.
  - Some **U.S. Southern Plains wheat millers** temporarily stopped accepting wheat deliveries to draw down existing wheat inventories



## HRW Wheat Futures Closes, Changes & Market Carry

On Monday, March 7<sup>th</sup> & Thursday, March 10<sup>th</sup>, 2022

Monday, March 7, 2022

Kansas HRW Wheat Futures			
Month	Close	Change	Carry /mo
Mar <sup>D</sup> 22	\$12.37 ¾	↑ \$0.37	---
May <sup>L</sup> 22	\$12.51 ½	↑ \$0.37	+ \$0.06 <sup>875</sup>
July <sup>H</sup> 22	\$12.33 ¾	↑ \$0.59 ¼	- \$0.08 <sup>875</sup>
Sept 22	\$11.92 ¼	↑ \$0.75 ¾	- \$0.20 <sup>75</sup>
Dec 22	\$11.42 ¼	↑ \$0.85	- \$0.16 <sup>667</sup>
Mar 23	\$10.96 ¼	↑ \$0.83 ¾	- \$0.15 <sup>333</sup>
May 23	\$10.17	↑ \$0.59 ½	- \$0.39 <sup>625</sup>
July 23	\$8.56 ¾	↑ \$0.41 ¼	- \$0.80 <sup>125</sup>

Thursday, March 10, 2022

Kansas HRW Wheat Futures			
Month	Close	Change	Carry /mo
Mar <sup>D</sup> 22	\$10.52 ¼	↓ \$0.54	---
May <sup>L</sup> 22	\$10.95 ½	↑ \$0.29 ¼	+ \$0.21 <sup>625</sup>
July <sup>H</sup> 22	\$10.85	↑ \$0.30 ¾	- \$0.05 <sup>25</sup>
Sept 22	\$10.73	↑ \$0.27 ½	- \$0.06
Dec 22	\$10.59 ½	↑ \$0.21 ¾	- \$0.04 <sup>50</sup>
Mar 23	\$10.14	↑ \$0.01 ½	- \$0.15 <sup>167</sup>
May 23	\$9.41 ½	↑ \$0.13 ¾	- \$0.36 <sup>25</sup>
July 23	\$8.00	↑ \$0.06 ½	- \$0.70 <sup>75</sup>



## Key Factors in the Cash Grain Bid / Basis Issue

- **Inverses in the Wheat Futures Market** <sup>CME SRW, HRW</sup>
  - Record high lead contract prices for *Lead Futures* with *high volatility*
- “Down Stream” Supply Chain Disruptions Impacting Grain Elevators
  - Lack of bids from wheat millers, exporters, etc. to “move” grain on to
  - Questions regarding availability of rail transportation to move grain
- A necessary “turnaround” in the future
  - Eventually – “down stream” buyers/users will again need wheat supplies
  - “**Demand-pull**” will force *proactive bidding & procurement* for wheat in these industries when current inventories run short & buyers “come calling”



## Questions?

Daniel O'Brien – Extension Ag Economist

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