

# Ukraine & Russian Federation Conflict:

## *Grain Market Impacts*

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## Ukraine-Russia Conflict Impacts on Grain Markets

- **Wheat** U.S. & Global \*\*\*\*
- **Corn** U.S. & Global \*\*\*\*
- **Sunflower & Sunflower Oil** Global \*\*\*\*
- **Soybeans & Soybean Oil** U.S. & Global
- **Cash Grain Bid / Basis issues**



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## Grain Market Headlines & Issues *March 2022*

- “Wheat Surges Closer to Record as War Paralyzes Ukraine Supply” <sup>3/7 Bloomberg</sup>
- “EU wheat export demand surges as war disrupts Ukraine, Russia supply” <sup>3/4 Reuters</sup>
- “Key exporters not able to offset absence of Black Sea wheat ” <sup>3/7 APK</sup>
- “EU may let farmers use fallow land as Ukraine war hits grain supply” <sup>3/2 Reuters</sup>
- “Argentina to control domestic wheat \$s as Ukraine conflict heats market” <sup>3/2 Reuters</sup>
- “Tunisia pays about \$500 /mt (\$13.61 /bu) for 125,000 MT soft wheat” <sup>3/11 Reuters</sup>
- “South American nations push to exclude fertilizer from Russia sanctions” <sup>3/11 Reuters</sup>
- “Food crisis grows as spiraling prices spark export bans” <sup>3/9 Reuters</sup>



## More Grain Market Headlines & Issues *March 2022*

- “Ukrainian Railways ready to boost grain exports by train” <sup>3/7</sup>
- “Ukraine to sow as many crops as possible this spring President” <sup>3/11 Reuters</sup>
- “Ukraine to sow more cereals in 2022, cut corn, sunseed ” <sup>3/11 Reuters</sup>
- “Ukraine suspends exports of some agriculture goods ” <sup>3/7 Interfax</sup>
- “Critical damage to Ukrainian seaports not detected” <sup>3/7 APK</sup>
- “Ukrainian Farmers Ask: ‘Plant or Not to Plant,’ Even if Fighting Stops, Yields Could Suffer as Input Worries Loom” <sup>3/7 Farm Policy News</sup>
- “Russian invasion in Ukraine resulting in deficit of sunflower oil on the world market ” <sup>3/8 APK</sup>

## Grain Market Article *Available March 11, 2022*

- **Reality of Ukrainian soybean market under conditions of war** - “According to **APK-Inform**, new reality brought by Russian invasion to Ukraine, is forcing soybean crushers to choose between shutdown and adaptation to lack of transport and drivers, disruption of traditional trade flows, procurement problems, etc. Under such conditions, soybeans are processed mainly for domestic consumption.”
- “Our enterprise keeps on functioning. We are processing soybean for domestic consumption. However, there are problems with feedstock procurement. Prices of soybeans are virtually absent. We are trying to buy through intermediaries. We had a signed contract for soybean oil delivery and we were paid, but we cannot deliver the oil. Buyer is ready to come to calm region to get his oil, however, we still cannot find reliable transport. So, we are aiming on creating a strategy for further work under new conditions”,
- “...there is some activity on the market in the western region, farmers raised soybean sales. However, the logistical factor prevents the normal functioning of the market. Many drivers have joined the army.”
- “Livestock sector is facing problems in many regions, as oil extraction plants partially suspended their activity rising the shortage of protein feed.” (**APK**)

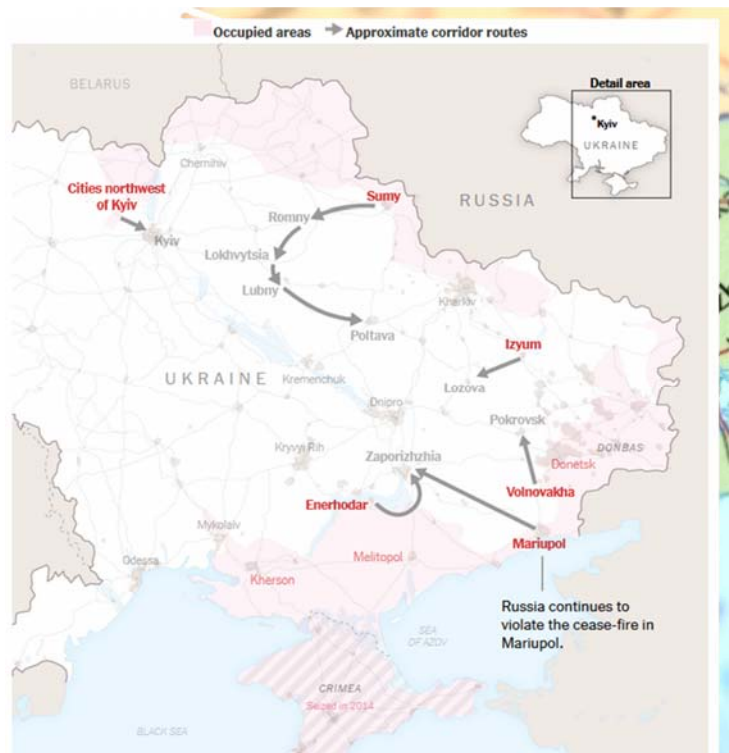
## Map of Ukraine





# Areas of Ukraine Occupied by Russia

Source: NY Times 3/10/2022



## Ukrainian Ports

### Seaports

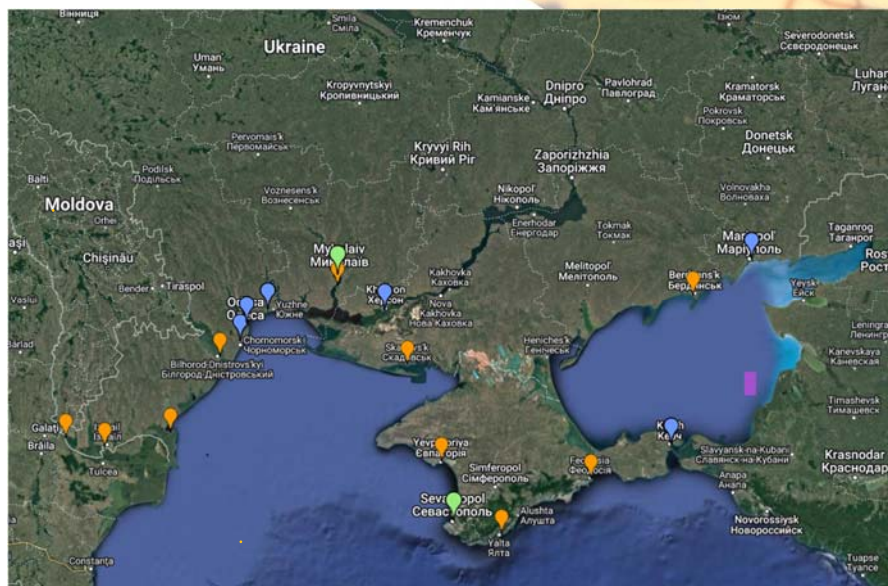
Feodosiia  
Chornomorsk  
Mariupol  
Mykolaiv  
Odesa  
Yuzhne

### River Ports

Kherson  
Kyiv  
Mykolaiv

### Key

Small  
Medium  
Large

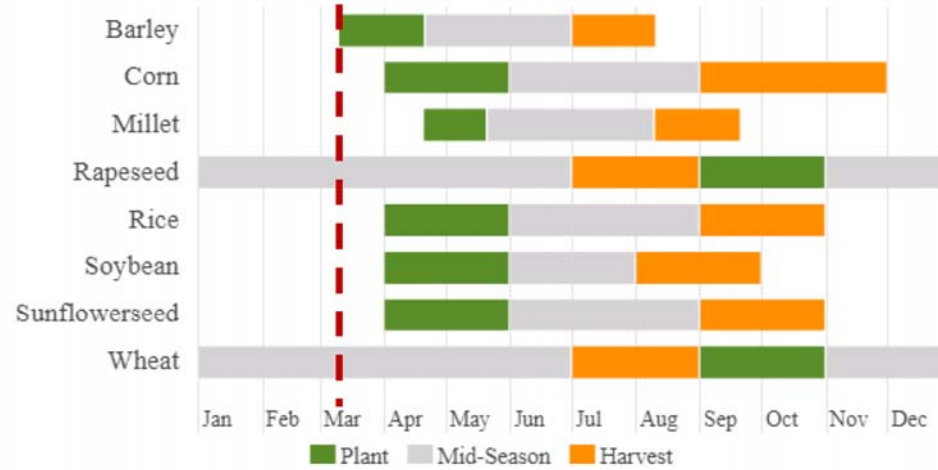


Source:  
Google Maps,  
World Port  
Source

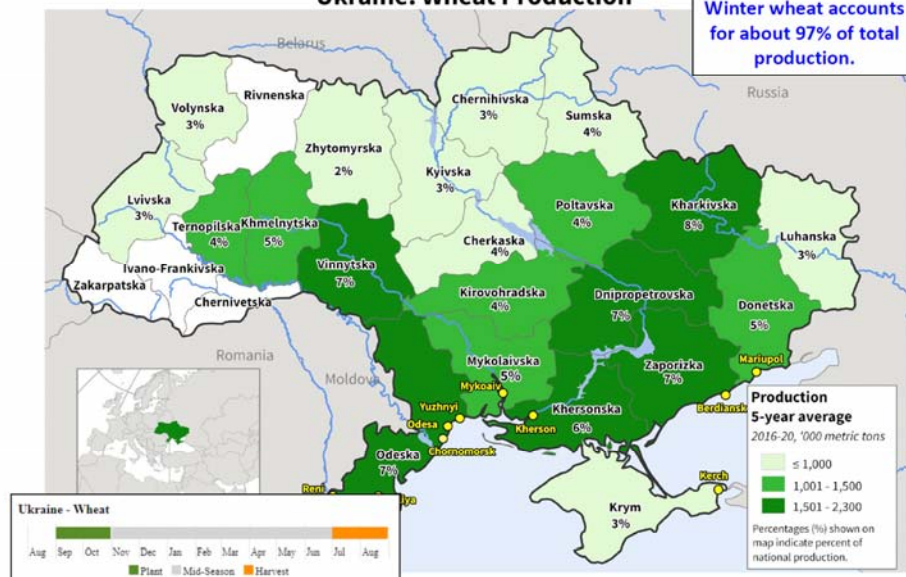


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## Ukraine – Crop Calendar

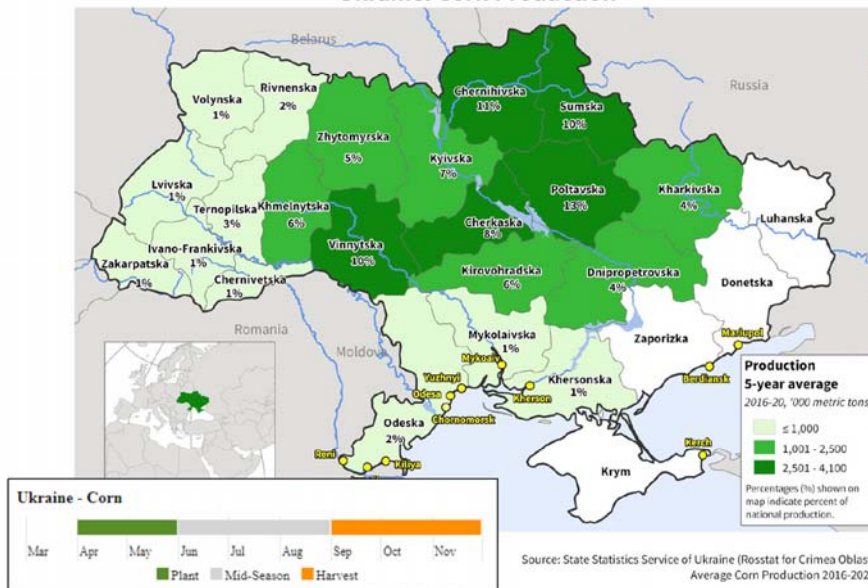


## Ukraine: Wheat Production





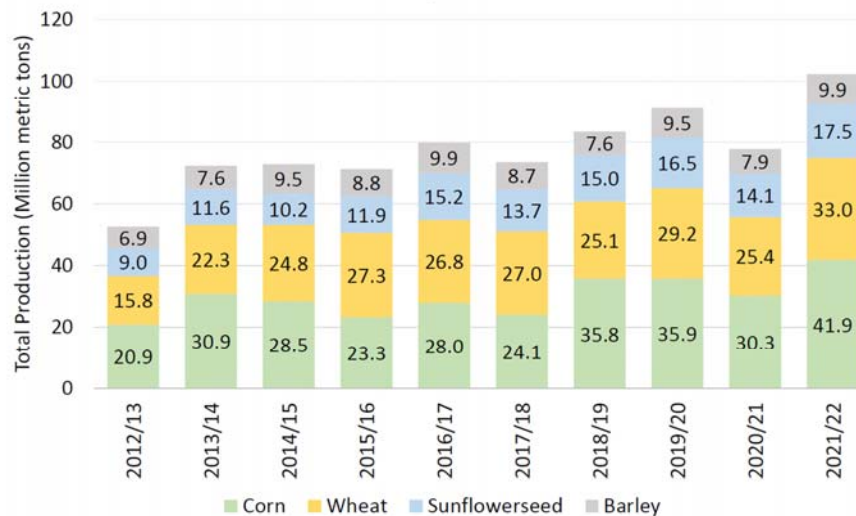
### Ukraine: Corn Production



USDA Foreign Agricultural Service  
U.S. DEPARTMENT OF AGRICULTURE



### Ukraine Crop Production

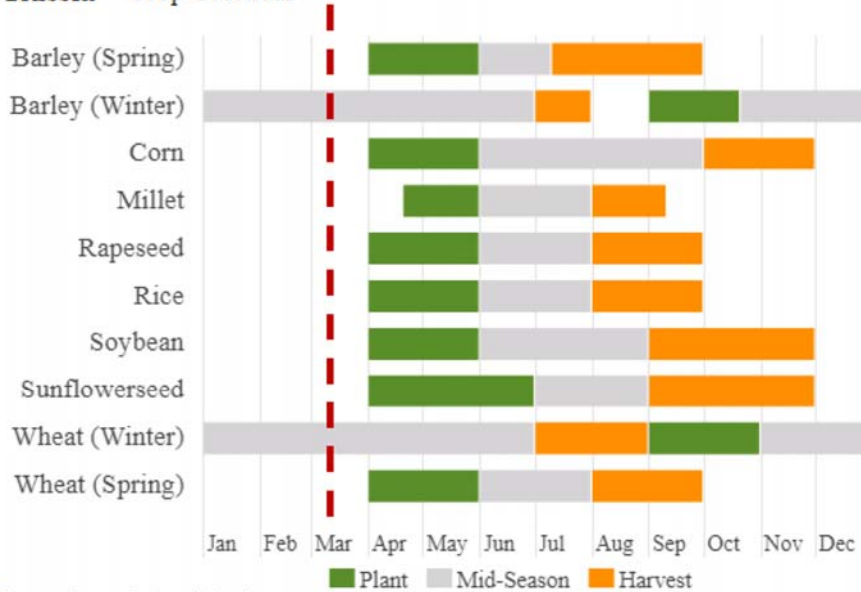


USDA Foreign Agricultural Service  
U.S. DEPARTMENT OF AGRICULTURE

Source: USDA PSD Online



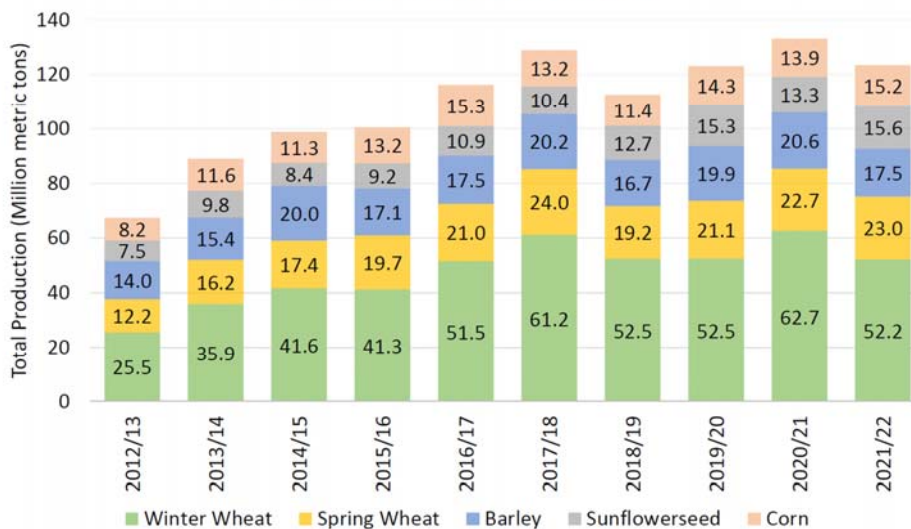
## Russia – Crop Calendar



Source: Russia Ministry of Agriculture



## Russia Crop Production



Source: USDA PSD Online





# Wheat Markets

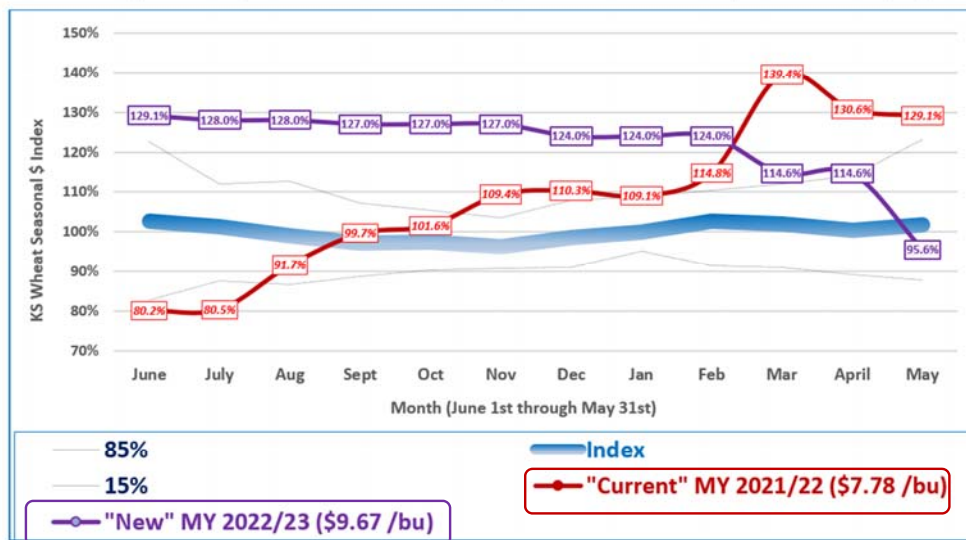


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## Seasonal Prices for Kansas Hard Red Winter Wheat:

MY 1999/00 – 2019/20 + "Current" MY 2021/22 & "New" MY 2022/23 Ests. thru 3/10/2022



### USDA Forecasts:

"Current" MY 2021/22  
= \$7.50 /bu U.S.

"New Crop" MY 2022/23  
= \$6.80 /bu U.S.



# Wheat Market Outlook *with Ukraine-Russia Impacts\**

## ➤ U.S. Wheat Market Situation *"Current" MY 2021/22 vs year ago*

- **Less Production** (1.646 bb, ↓10%) & **Supplies** (2.586 bb, ↓12.5%) vs last year
- **Domestic: Food** (959 mb, ≈ same), **Seed** (64 mb, same), **Feed** (110 mb, ↑16%)
- **Exports** (800 mb, ↓19.4%) - ↑ **Exports** MY 2022/23
- **Ending Stocks** (653 mb, ↓22.7%) - ↓ **End Stocks** MY 2022/23
- **U.S. Farm Price** = \$7.50 /bu (↑48.5% vs \$5.05 /bu year ago) – **Continued** ↑ **Prices** MY 2022/23

## ➤ Ukraine-Russia Impacts *U.S. Wheat Market in "New Crop" MY 2022/23*

- ↑ 2022 U.S. Spring & Winter Wheat seedings?; ↑ **Exports**; ↑ **Price**\$\*\*\*

## U.S. Wheat Supply and Demand

USDA Office of the Chief Economist  
United States Department of Agriculture

Item	2020/2021 estimate	2021/2022 forecast	Change from February 9	Change from 2020/2021
Planted area (million acres)	44.5	46.7	--	2.3
Harvested area (million acres)	36.8	37.2	--	0.4
Yield (bushels per acre)	49.7	44.3	--	-5.4
----- Million bushels -----				
Beginning stocks	1,028	845	--	-183
Production	1,828	1,646	--	-182
Imports	100	95	-5	-5
Total supply	2,957	2,586	-5	-371
Food use	961	959	--	-2
Seed	64	64	--	**
Feed and residual	95	110	--	15
Domestic use	1,120	1,133	--	13
Exports	992	800	-10	-192
Total use	2,111	1,933	-10	-178
Ending stocks	845	653	5	-192
----- Percent -----				
Stocks to use ratio	40.0	33.8	0.4	-6.3
----- Dollars per bushel -----				
Average market price	5.05	7.50	0.20	2.45

-- No change. \*\* Rounds to zero.

March 9, 2022

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# Wheat Market Outlook *with Ukraine-Russia Impacts\**

## World Wheat Market Situation "Current" MY 2022/22 vs year ago

- **Production** (778.5 mmt, + same) → Ukraine's 33 mmt @risk from 2021 & 2022
- **Food Use** (825.1 mmt, + same) → Likely rationing of wheat food use from 2021 & 2022
- **Exports** (202 mmt, -10.0%) → Ukraine's 20-24 mmt exports declines from 2021 & 2022
- **Ending Stocks** (288.5 mmt, -1.8.0%) → Tighter World Stocks w/o Ukraine from 2021 & 2022

## Ukraine-Russia Impacts On the World Wheat Market

- **Wheat seedlings** 2022-2022, U.S. & Global, but is question in Ukraine
- **Exports** Select Countries: India, Argentina, Australia, U.S.; other
- **Prices\*\*\*** (systemic wheat price inflation on World market)

## World Wheat Production

USDA Office of the Chief Economist  
United States Department of Agriculture

March 9, 2022

Country or Region	2020/2021 estimate	2021/2022 forecast	Change from February 9	Change from 2020/2021
----- Million Tons -----				
World	776.0	778.5	2.1	2.5
United States	49.8	44.8	--	-5.0
Foreign	726.3	733.7	2.1	7.5
Argentina	17.6	20.5	--	2.9
Canada	35.2	21.7	--	-13.5
Australia	33.3	36.3	2.3	3.0
European Union	126.9	139.0	0.1	12.1
Turkey	18.2	16.3	--	-2.0
Russia	85.4	75.2	-0.3	-10.2
Ukraine	25.4	33.0	--	7.6
Kazakhstan	14.3	11.8	--	-2.4
China	134.2	136.9	--	2.7
India	107.9	109.6	0.1	1.7
Northwest Africa	7.5	12.4	--	4.9

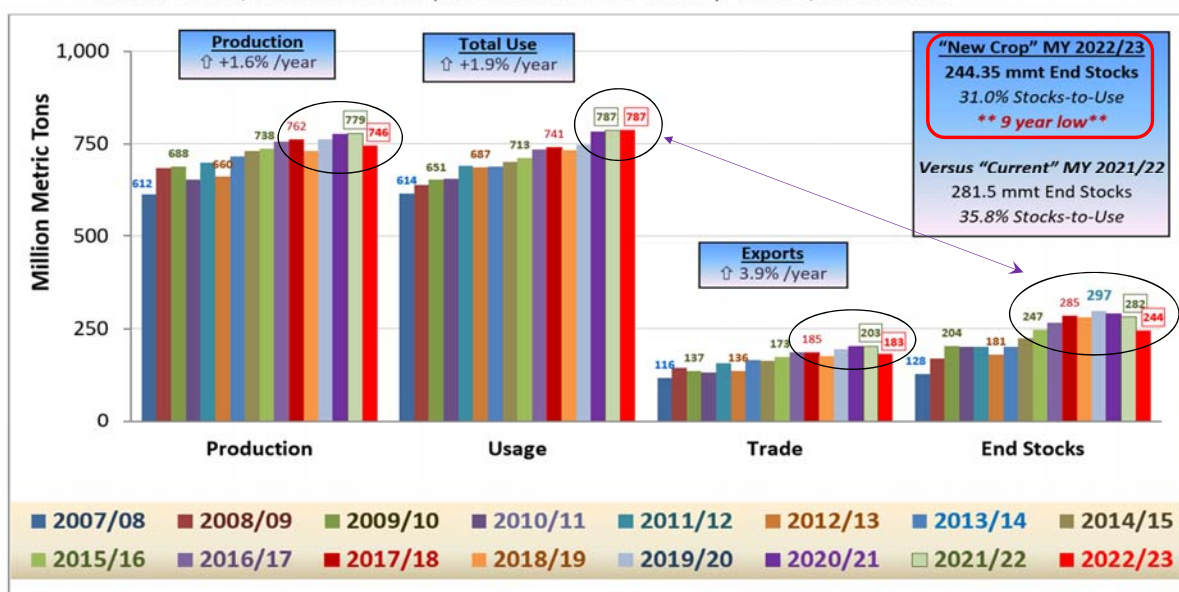


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# World Wheat Supply and Use

Item	2020/2021 estimate	2021/2022 forecast	Change from February 9	Change from 2020/2021
----- Million Tons -----				
Beginning stocks	296.8	290.3	0.4	-6.6
Production	776.0	778.5	2.1	2.5
Total Supply	1,072.8	1,068.8	2.5	-4.0
Feed use	157.7	162.1	1.4	4.5
Total use	782.6	787.3	-0.8	4.7
Trade	202.6	203.1	-3.6	0.5
Ending Stocks	290.3	281.5	3.3	-8.8

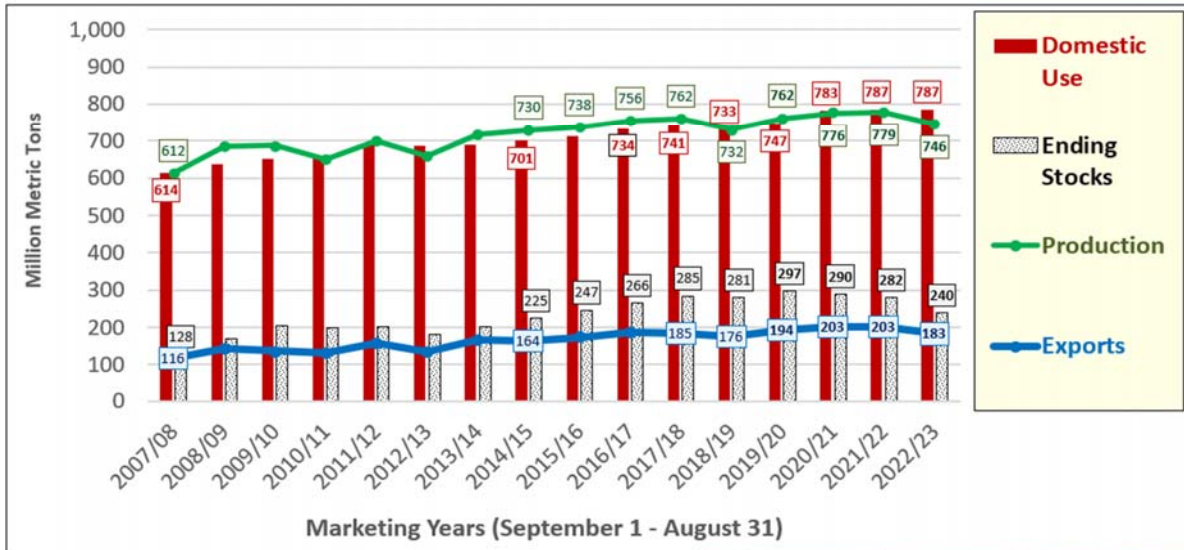
**"World Less-Ukraine in 2022/23" Wheat Usage & Ending Stocks: MY 2007/08 - "Current Crop" MY 2021/22,**  
as of the March 9, 2022 USDA WASDE Report + KSU Estimates for "New Crop" MY 2022/23 Less Ukraine



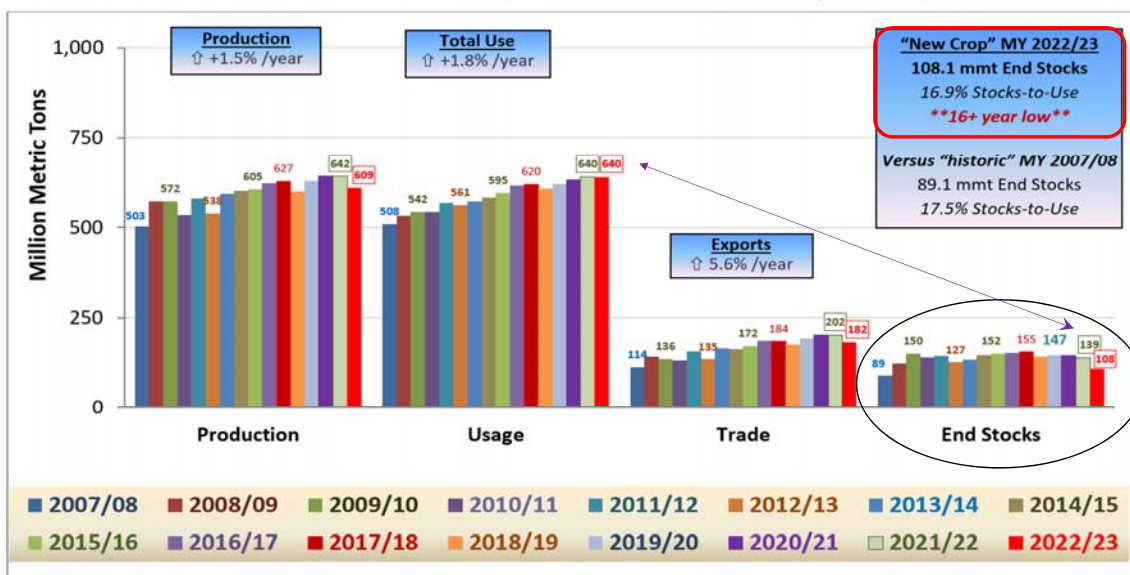


## World Wheat Supply-Demand Trends *Less Ukraine in MY 2022/23:*

MY 2006/07 – “New Crop” MY 2022/23 as of the March 9, 2022 USDA WASDE report

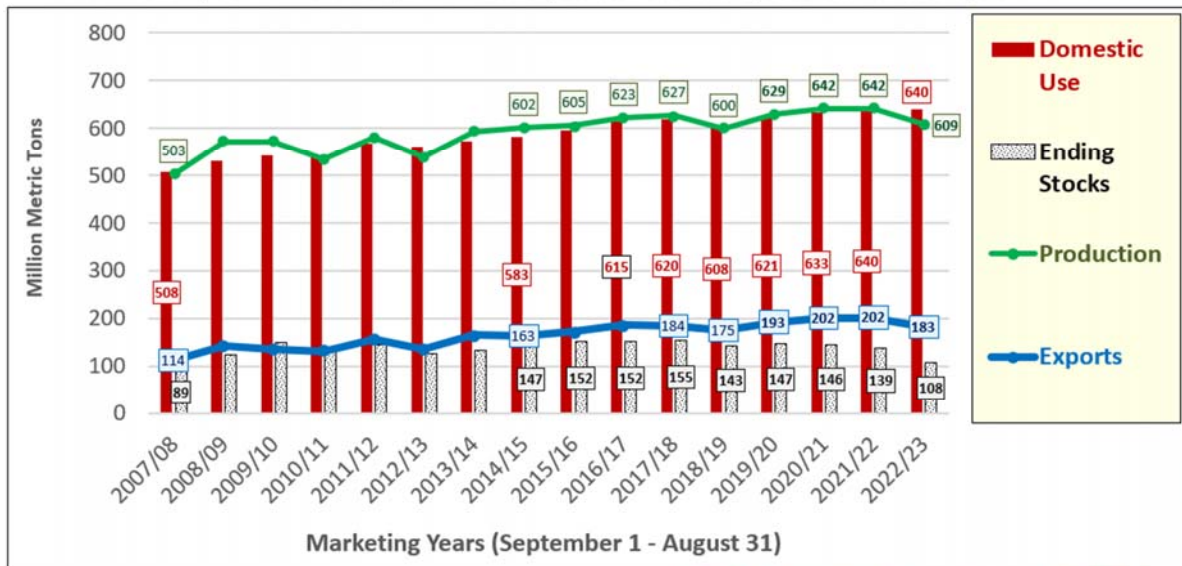


## *“World Less-China & Less Ukraine in 2022/23”* Wheat Usage & Ending Stocks: MY 2007/08 - “New Crop” MY 2021/22, as of the March 9, 2022 USDA WASDE Report + KSU Estimates for “New Crop” MY 2022/23 Less Ukraine



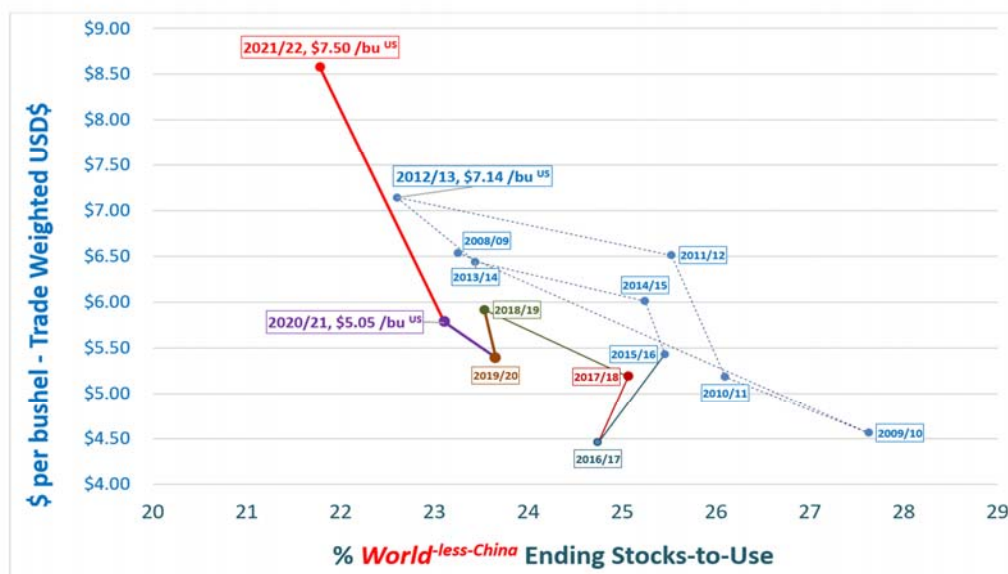
## World *Less China & Less Ukraine in 2022/23* Wheat Supply-Demand Trends:

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



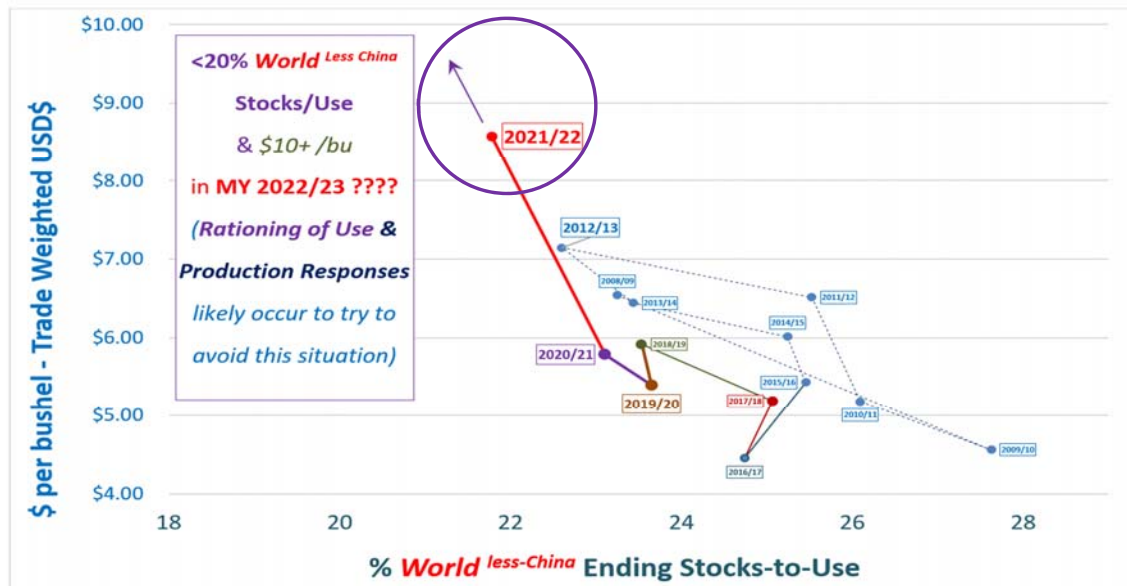
## U.S. Wheat Price *Trade Wtd USD\$ Adj* vs “World *Less-China*” % Stocks-to-Use:

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

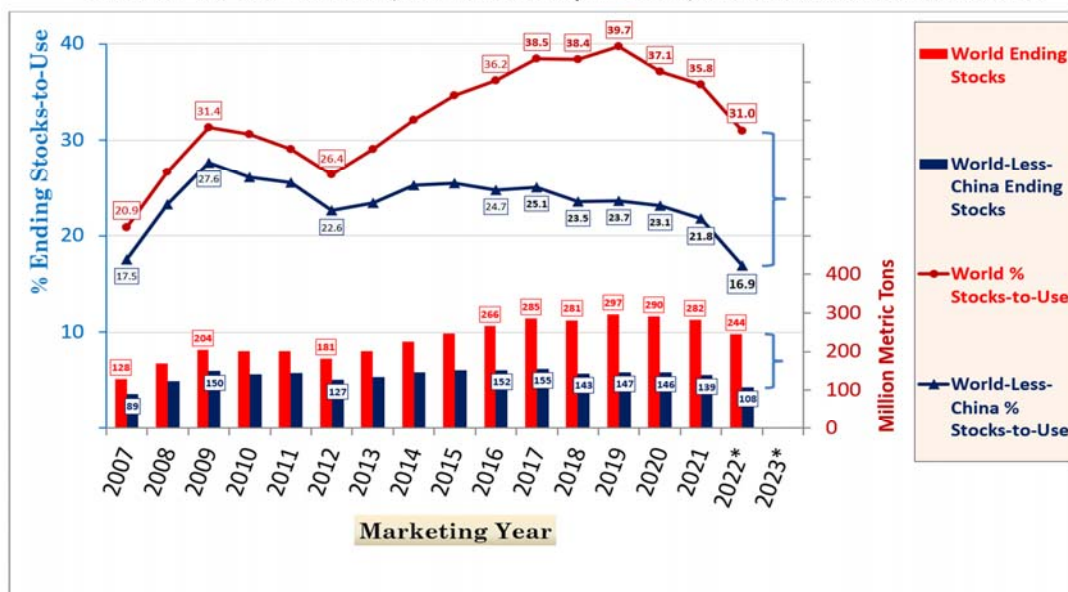


## U.S. Wheat Price<sup>Trade Wtd USD\$ Adj</sup> vs "World Less-China" % Stocks-to-Use:

MY 2008/09 through "New Crop" MY 2021/22 as of the March 9, 2021 USDA WASDE + KSU Ests for MY 2022/23 less Ukraine



## World vs "World Less-China & Less Ukraine in 2022/23" Wheat End Stocks & % Stocks-to-Use: MY 2007/08 thru "New Crop" MY 2022/23 as of the 3/9/2022 USDA WASDE + KSU Ests





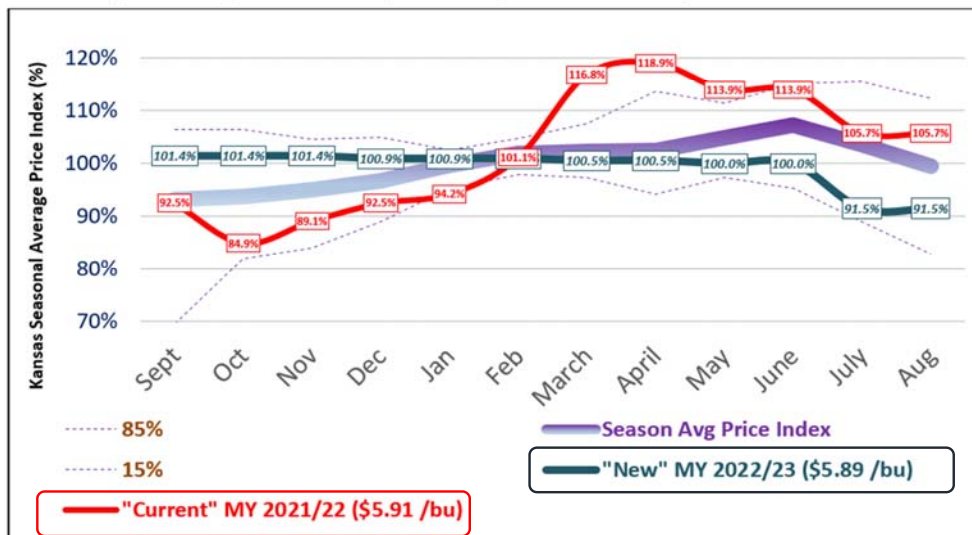
# Corn Markets



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## Kansas Corn Seasonal Prices: MY 1999/00 – MY 2019/20 plus "Current Crop" MY 2021/22 & "New Crop" MY 2022/23 as of March 10, 2022



### USDA Forecasts:

"Current" MY 2021/22  
= \$5.65 /bu U.S.

"New Crop" MY 2022/23  
= \$5.00 /bu U.S.

# U.S. Corn Market Outlook *with Ukraine-Russia Impacts\**

## ➤ U.S. Corn Market Situation “Current” MY 2021/22 vs year ago

- **Ethanol** (5.350 bb, ↑6%) – ↑ Ethanol mkt support from Russia oil limits / ↑ gasoline \$’s
- **Exports** (2.500 bb, ↓9%) – ↑ Exports MY 2022/23 with Ukraine corn @risk<sup>Yrs 2022-2023</sup>
- **Feed & Residual** (5.650 bb, ↑1%) – Strong cost competition from alternative U.S. corn uses
- **Ending Stocks** (1.440 bb, ↑17%) – ↓ End Stocks MY 2022/23 from ↑ Ethanol Use & ↑ Exports
- **U.S. Farm Price** = \$5.65 /bu (↑24.7% vs \$4.53 /bu year ago) – Continued ↑ Prices MY 2022/23

## ➤ Ukraine-Russia Impacts U.S. Corn Market in “New Crop” MY 2022/23

- ↑ 2022 Corn Plantings<sup>US?</sup>; ↑ Ethanol; ↑ Exports; ↓ End Stocks; ↑ Price\$\*

## U.S. Corn Supply and Demand

Item	2020/2021 estimate	2021/2022 forecast	Change from February 9	Change from 2020/2021
Planted area (million acres)	90.7	93.4	--	2.7
Harvested area (million acres)	82.3	85.4	--	3.1
Yield (bushels per acre)	171.4	177.0	--	5.6
----- Million bushels -----				
Beginning stocks	1,919	1,235	--	-685
Production	14,111	15,115	--	1,004
Imports	24	25	--	1
Total supply	16,055	16,375	--	320
Feed and residual	5,598	5,650	--	52
Food, seed, and industrial	6,470	6,785	25	315
Ethanol	5,033	5,350	25	317
Domestic use	12,068	12,435	25	367
Exports	2,753	2,500	75	-253
Total use	14,821	14,935	100	114
Ending stocks	1,235	1,440	-100	205
----- Percent -----				
Stocks to use ratio	8.3	9.6	-0.7	1.3
----- Dollars per bushel -----				
Average market price	4.53	5.65	0.20	1.12

-- No change.

USDA Office of the Chief Economist  
United States Department of Agriculture

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# Corn Market Outlook *with Ukraine-Russia Impacts\**

## World Corn Market Situation "Current" MY 2021/22 vs year ago

- **Production** 11,205 mmt, +7.4% → Ukraine's 41.9 mmt @risk from 2022 & 2023
- **Feed Use** (105.6 mmt, + same) → Likely price rationing of feed use from 2022 & 2023
- **Exports** (202 mmt, +1.20%) → Ukraine's 27-33 mmt exports declines from 2022 & 2023
- **Ending Stocks** (302 mmt, -0.3%) → Tighter World Stocks w/o Ukraine from 2022 & 2023

## Ukraine-Russia Impacts On the World Wheat Market

- **Corn Planted** 2022-2023, but Ukraine in question
- **Exports** Select Countries: U.S., Brazil, Argentina; other???
- **Prices\*\*\*** (systemic feedgrain price inflation on World market)

## World Corn Production

USDA Office of the Chief Economist  
United States Department of Agriculture

Country or Region	2020/2021 estimate	2021/2022 forecast	Change from February 9	Change from 2020/2021
----- Million Tons -----				
World	1,123.3	1,206.1	0.8	82.9
United States	358.4	383.9	--	25.5
Foreign	764.8	822.2	0.8	57.4
Argentina	51.5	53.0	-1.0	1.5
Brazil	87.0	114.0	--	27.0
Mexico	27.3	27.6	--	0.3
Canada	13.6	14.0	--	0.4
European Union	67.1	69.8	-0.2	2.7
Serbia	8.1	6.2	--	-1.9
FSU-12	48.9	63.2	0.1	14.3
Ukraine	30.3	41.9	-0.1	11.6
Russia	13.9	15.2	0.2	1.4
South Africa	17.0	16.3	-0.7	-0.7
China	260.7	272.6	--	11.9
India	31.7	32.5	2.5	0.9

-- No change.



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## World Corn Supply and Use

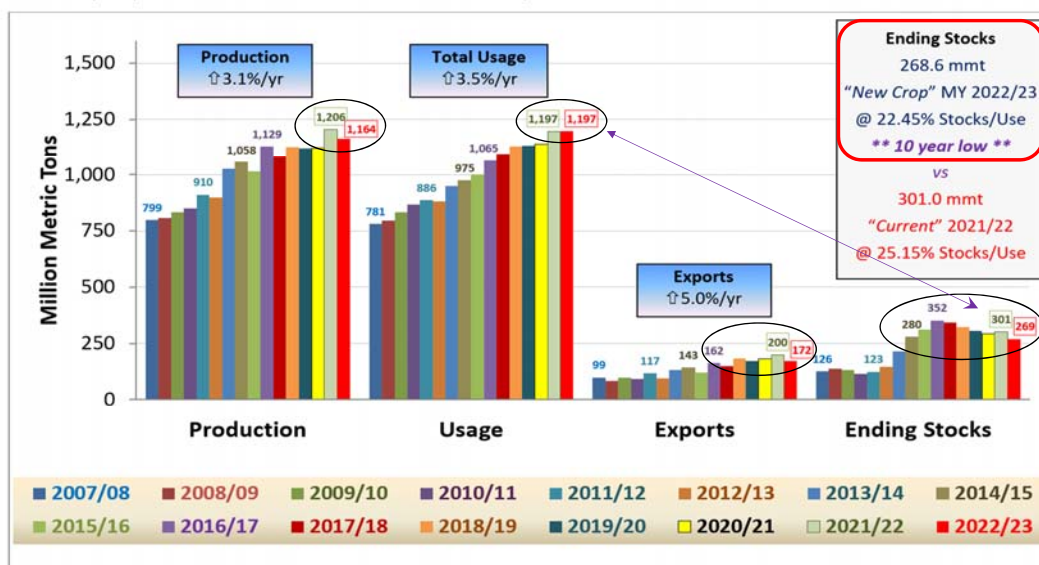
Item	2020/2021 estimate	2021/2022 forecast	Change from February 9	Change from 2020/2021
----- Million Tons -----				
Beginning stocks	306.3	291.4	-0.6	-14.9
Production	1,123.3	1,206.1	0.8	82.9
Total Supply	1,429.6	1,497.6	0.2	68.0
Feed use	721.6	753.4	1.6	31.9
Total use	1,138.2	1,196.6	1.5	58.5
Trade	181.8	199.9	-3.8	18.1
Ending Stocks	291.4	301.0	-1.3	9.5



March 9, 2022

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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

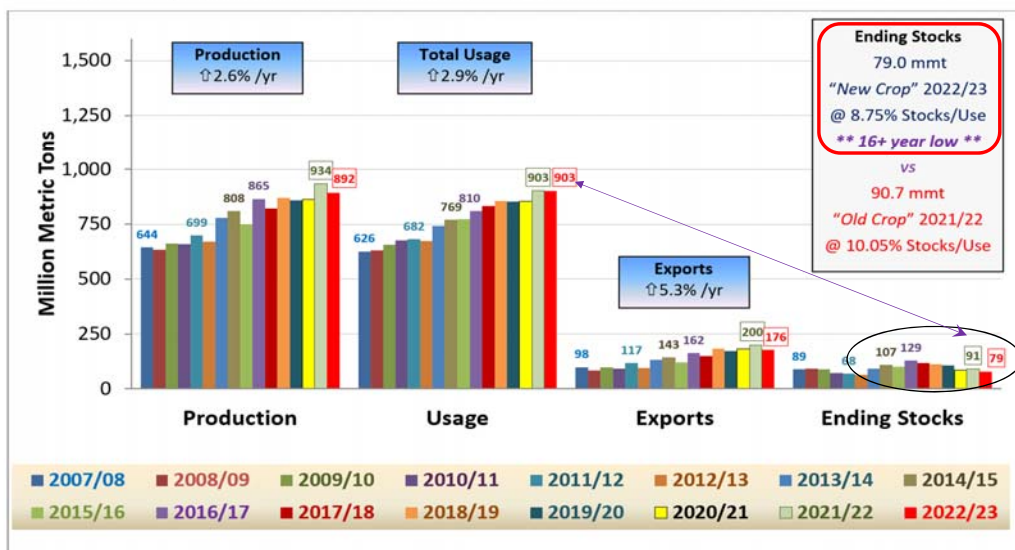


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## World Corn Supply-Demand Trends: MY 2006/07 – “New Crop” MY 2021/22, Less Ukraine in MY 2022/23 as of the March 9, 2022 USDA WASDE report

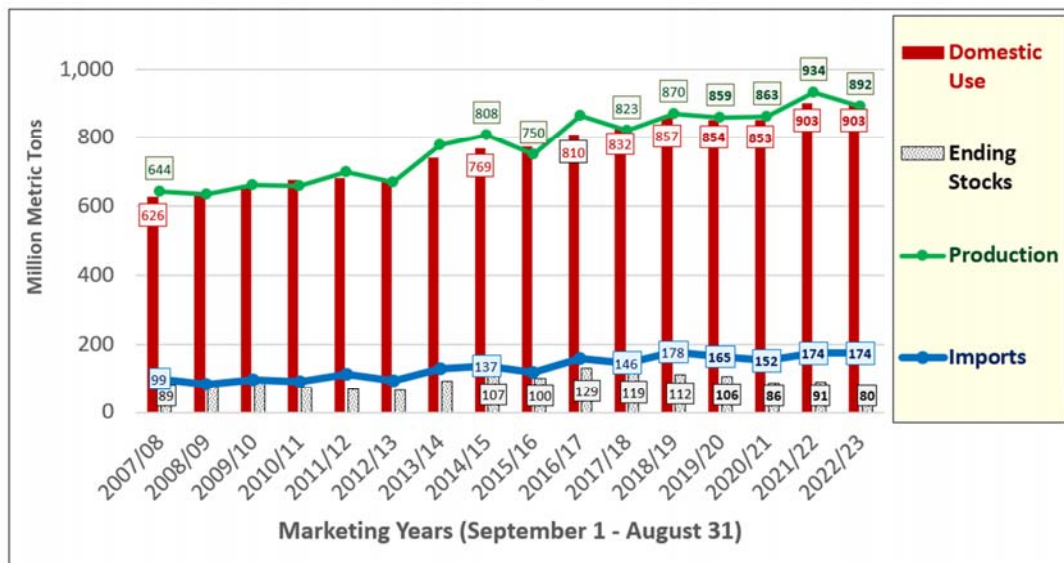


## “World Less-China, & Less Ukraine in 2022/23” Corn Supply-Demand: MY 2007/08 – “New Crop” MY 2022/23, as of the March 9, 2022 USDA WASDE Report



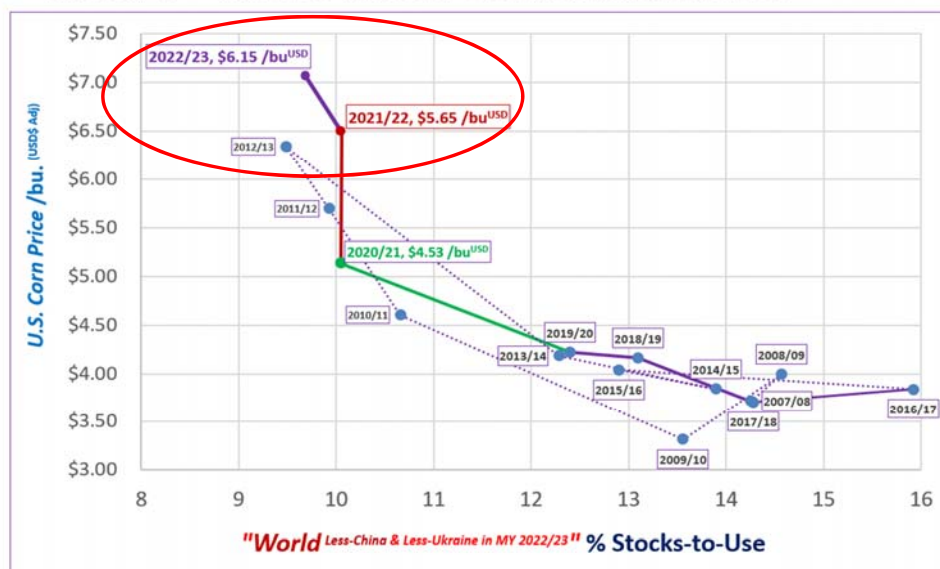
## “World Less-China & Less Ukraine in 2022/23” Corn Supply-Demand:

MY 2006/07 – “New Crop” MY 2022/23 as of the March 9, 2022 USDA WASDE report (KSU Ests.)



## U.S. Corn Price 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





## World vs "World-Less-China, & Less Ukraine in 2022/23" % Corn Stocks-to-Use:

MY 2007/08 through "New Crop" MY 2022/23, as of the March 9, 2022 USDA WASDE + KSU Estimates



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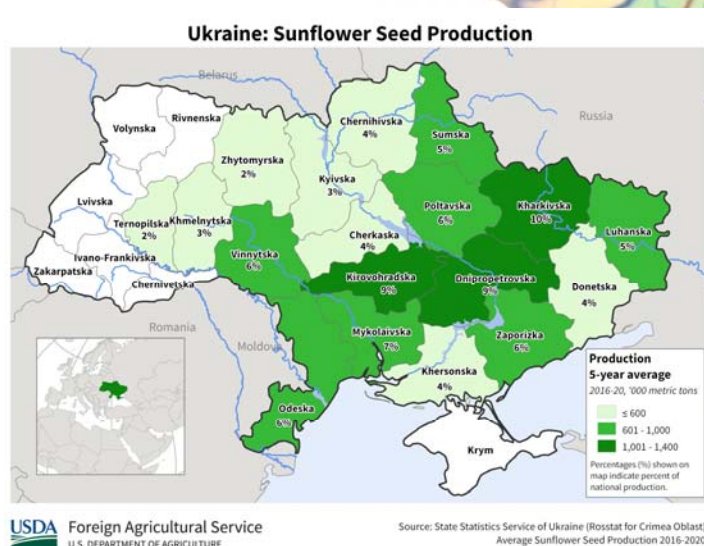
## Sunflower Markets



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# Ukraine Sunflower Seed Production



## 2020 Sunflower Summary

Country	Russia	Ukraine
Production (tonnes)	13,314,418	13,110,430
% of Global Production	26.5%	26.1%
Exports Seed (tonnes)	1,369,907	187,900
Seed % of Global Exports	19.7%	2.7%
Exports Oil (tonnes)	3,207,069	6,860,958
Oil % of Global Exports	20.5%	44.0%

Important Impacts of the Ukraine – Russia Federation Conflict

Total Production – 52.6%

Total Exports of Seed – 22.4%

Total Exports of Oil – 64.5%

Major Importers of Oil Affected (2020 Exports)

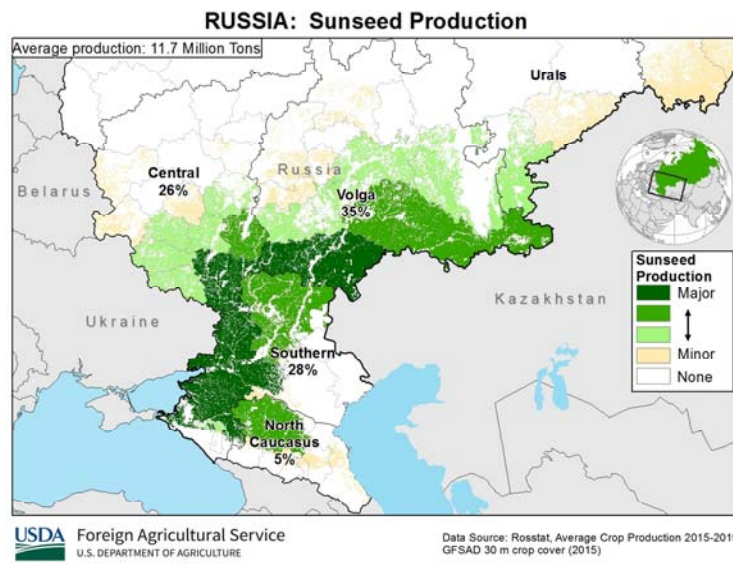
India – 2.4 million metric tonnes

China – 2.0 million metric tonnes





# Russian Sunflower Seed Production



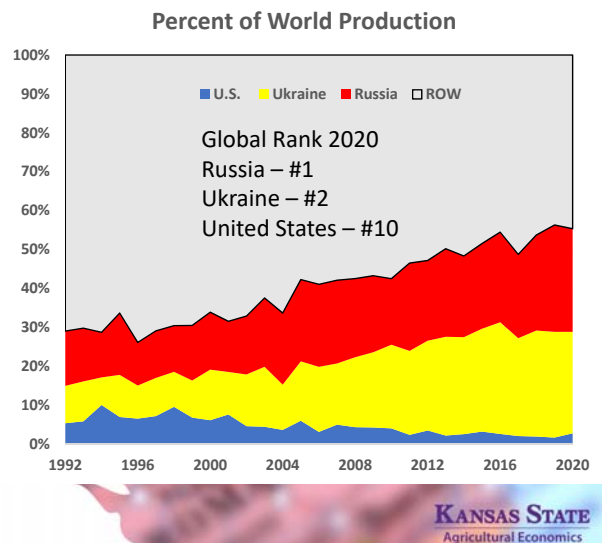
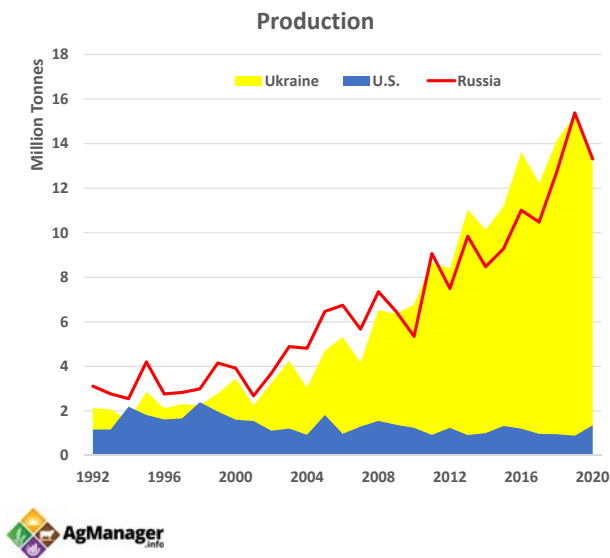
## World Sunflower *Less Ukraine in 2022/23* Supply-Demand

**Trends:** MY 2007/08 – “New” MY 2022/23 as of the March 9, 2022 USDA WASDE Report

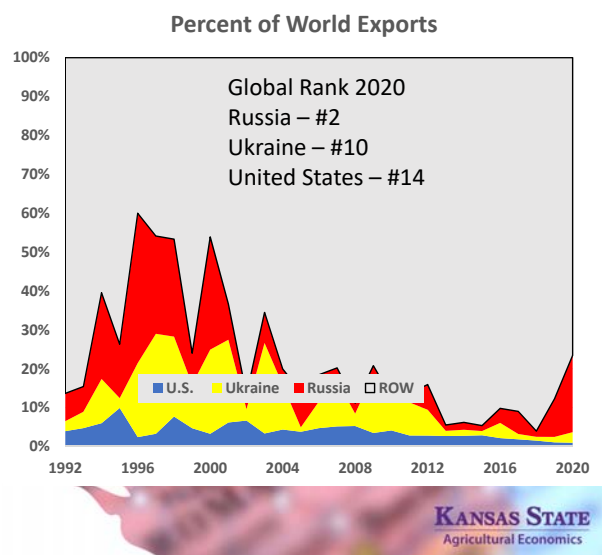
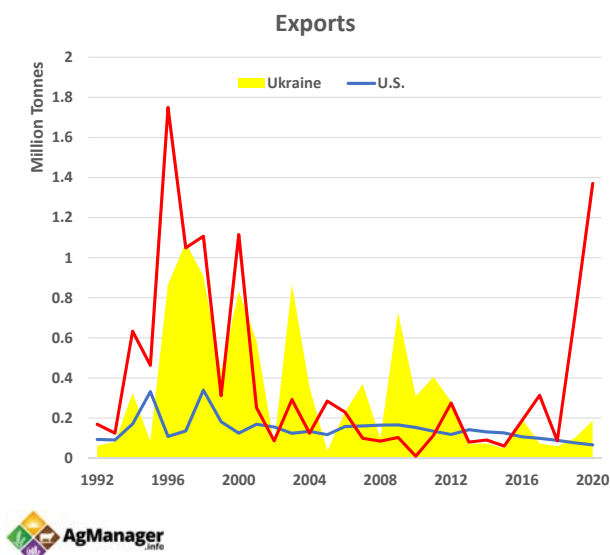




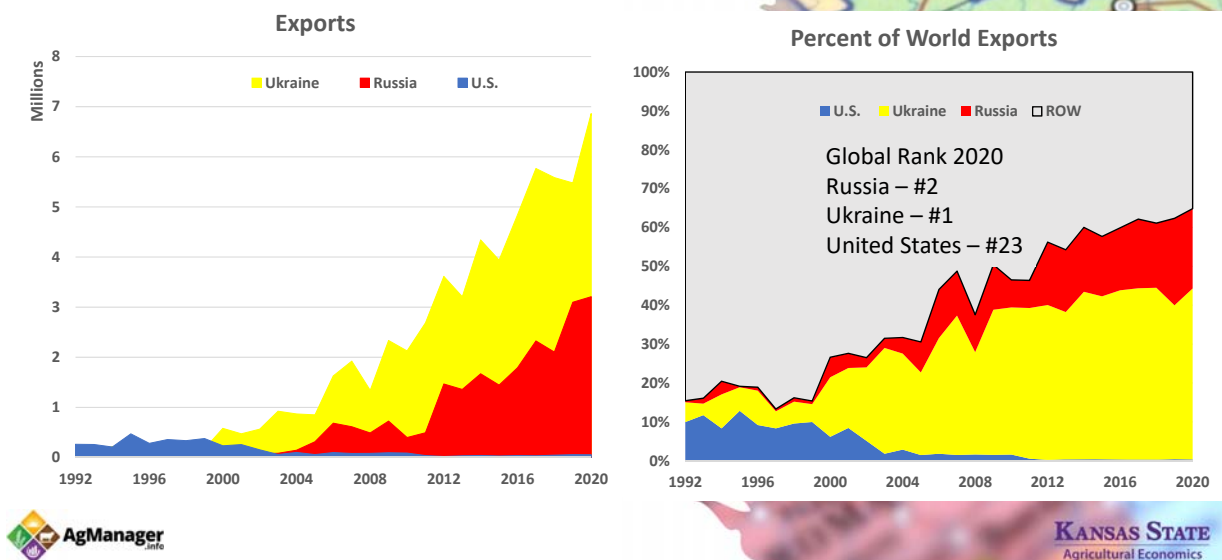
# Ukraine - Russian Sunflower Seed Production



# Ukraine - Russian Sunflower Seed Exports



## Ukraine - Russian Sunflower Oil Exports



## Ukraine – Destination of Sunflower Oil Exports

Country (2020 Rank)	2017	2018	2019	2020
India	2,155,573	2,458,120	2,065,808	1,924,803
China	616,376	466,638	865,720	1,254,626
Netherlands	463,239	331,510	612,837	627,795
Iraq	110,875	361,840	0	455,450
Spain	575,111	325,028	429,072	443,053
Italy	350,350	322,262	381,990	366,756
France	117,917	110,163	138,512	155,559
Poland	69,128	56,298	72,720	141,344
Egypt	123,225	101,723	13,548	135,025
U.K.	107,273	104,984	99,619	113,774
Rest of the World	1,077,042	946,551	797,928	1,100,771

## Russia – Destination of Sunflower Oil Exports

Country (2020 Rank)	2017	2018	2019	2020
China	151,813	202,586	390,121	770,263
Turkey	437,718	334,223	508,166	644,927
India	37,476	16,486	240,515	459,777
Uzbekistan	116,655	119,072	175,674	201,182
Egypt	389,393	325,195	269,471	197,037
Kazakhstan	94,759	102,512	124,181	116,705
Belarus	94,539	74,184	86,276	79,840
Afghanistan	38,112	33,467	44,938	76,788
Sudan	89,830	68,072	62,201	73,500
Lebanon	79,297	53,692	63,579	68,073
Rest of the World	795,075	772,144	1,130,756	518,975



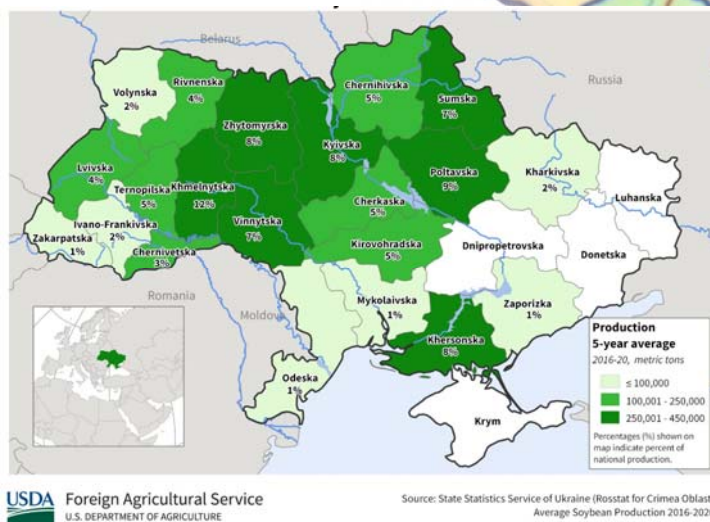
## Soybean Markets



Department of Agricultural Economics



# Ukraine Soybean Production



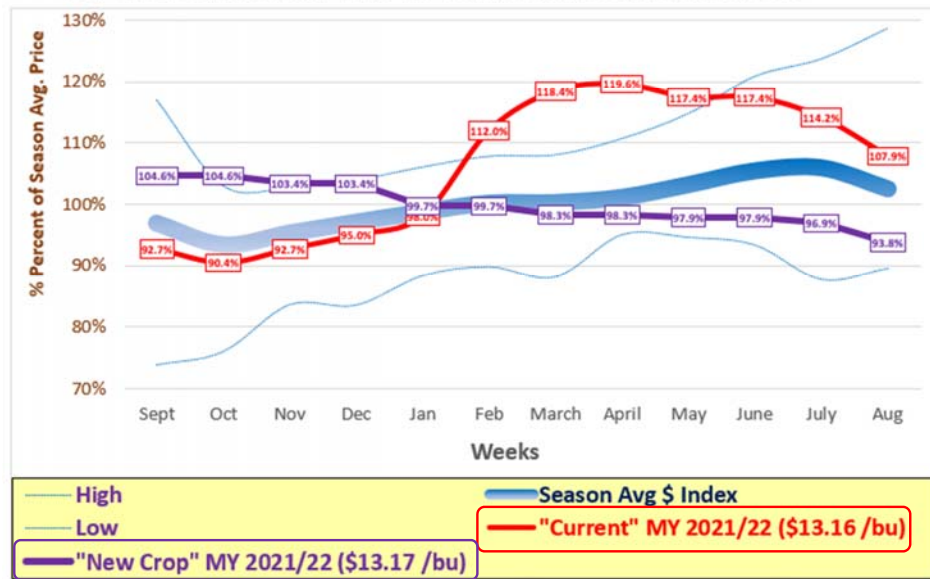
## 2020 Soybean Summary

Country	Russia	Ukraine
Production (tonnes)	4,307,593	2,797,670
% of Global Production	1.2%	0.8%
Exports (tonnes)	1,195,856	1,789,059
% of Global Exports	0.7%	1.0%
Exports as % of Production	27.8%	63.9%



## Kansas Soybean Seasonal Prices: MY 1999/00 – MY 2020/21 + "Old

Crop" MY 2021/22 & "New Crop" MY 2022/23 Estimates, March 10, 2022



### USDA Forecasts:

"Current" MY 2021/22  
= \$13.25 /bu U.S.

"New Crop" MY 2022/23  
= \$12.75 /bu U.S.

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## U.S. Soybeans Supply and Demand

USDA Office of the Chief Economist  
United States Department of Agriculture

Item	2020/2021 estimate	2021/2022 forecast	Change from February 9	Change from 2020/2021
Planted area (million acres)	83.4	87.2	--	3.8
Harvested area (million acres)	82.6	86.3	--	3.7
Yield (bushels per acre)	51.0	51.4	--	0.3
----- Million bushels -----				
Beginning stocks	525	257	--	-268
Production	4,216	4,435	--	219
Imports	20	15	--	-5
Total supply	4,761	4,707	--	-53
Crush	2,141	2,215	--	74
Seed and Residual	103	117	**	14
Domestic use	2,243	2,332	**	89
Exports	2,261	2,090	40	-171
Total use	4,504	4,422	40	-82
Ending stocks	257	285	-40	28
----- Percent -----				
Stocks to use ratio	5.7	6.5	-1.0	0.7
----- Dollars per bushel -----				
Average market price	10.80	13.25	0.25	2.45

-- No change. \*\* Rounds to zero.



March 9, 2022

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## U.S. Soybean Oil Supply and Demand

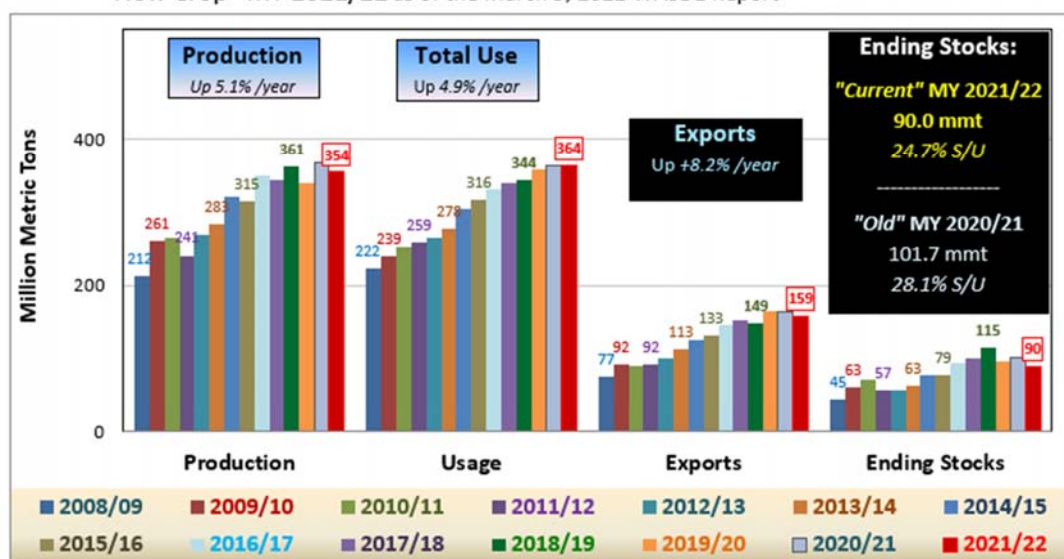
Item	2020/2021 estimate	2021/2022 forecast	Change from February 9	Change from 2020/2021
----- Million pounds -----				
Beginning stocks	1,853	2,131	--	279
Production	25,023	26,205	--	1,182
Imports	302	450	--	148
Total supply	27,177	28,786	--	1,609
Domestic disappearance	23,323	25,085	-200	1,762
Biofuel	8,850	10,700	-300	1,850
Food, feed, other	14,473	14,385	100	-88
Exports	1,723	1,625	200	-98
Total use	25,046	26,710	--	1,664
Ending stocks	2,131	2,076	--	-55
----- Cents per pound -----				
Average market price	56.87	68.00	2.00	11.13

-- No change.

March 9, 2022



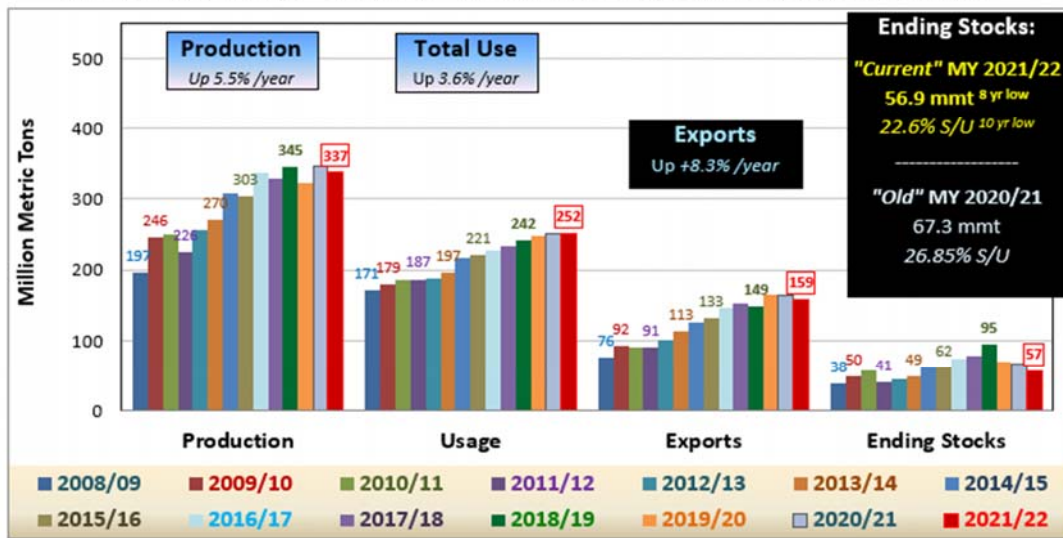
## World Soybean Usage & Ending Stocks: MY 2008/09 through "New Crop" MY 2021/22 as of the March 9, 2022 WASDE Report





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

MY 2008/09 through "New Crop" MY 2021/22 as of the March 9, 2022 WASDE Report



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## World Soybean Production

USDA Office of the Chief Economist  
United States Department of Agriculture

Country or Region	2020/2021 estimate	2021/2022 forecast	Change from February 9	Change from 2020/2021
----- Million Tons -----				
World	366.2	353.8	-10.1	-12.4
United States	114.7	120.7	--	6.0
Foreign	251.5	233.1	-10.1	-18.4
Argentina	46.2	43.5	-1.5	-2.7
Brazil	138.0	127.0	-7.0	-11.0
Paraguay	9.9	5.3	-1.0	-4.6
Canada	6.4	6.3	--	-0.1
India	10.5	11.9	--	1.4
China	19.6	16.4	--	-3.2

-- No change.

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## World Soybean Supply and Use

Item	2020/2021 estimate	2021/2022 forecast	Change from February 9	Change from 2020/2021
----- Million Tons -----				
Beginning stocks	96.8	101.7	1.3	4.9
Production	366.2	353.8	-10.1	-12.4
Total Supply	463.1	455.5	-8.7	-7.5
Crush	315.2	315.3	-5.0	0.1
Total use	362.1	363.7	-5.5	1.6
Trade	164.5	158.6	-6.4	-5.8
Ending Stocks	101.7	90.0	-2.9	-11.8

### Addendum

Beginning stocks				
Argentina plus Brazil	46.7	53.0	--	6.4
Imports*				
China	99.8	94.0	-3.0	-5.8

\*From all sources.

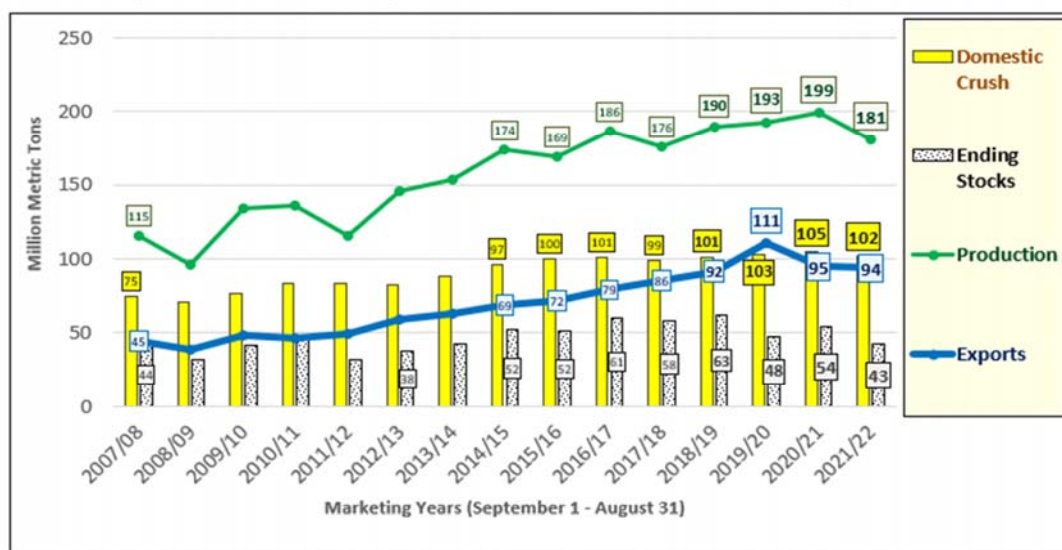
-- No change.



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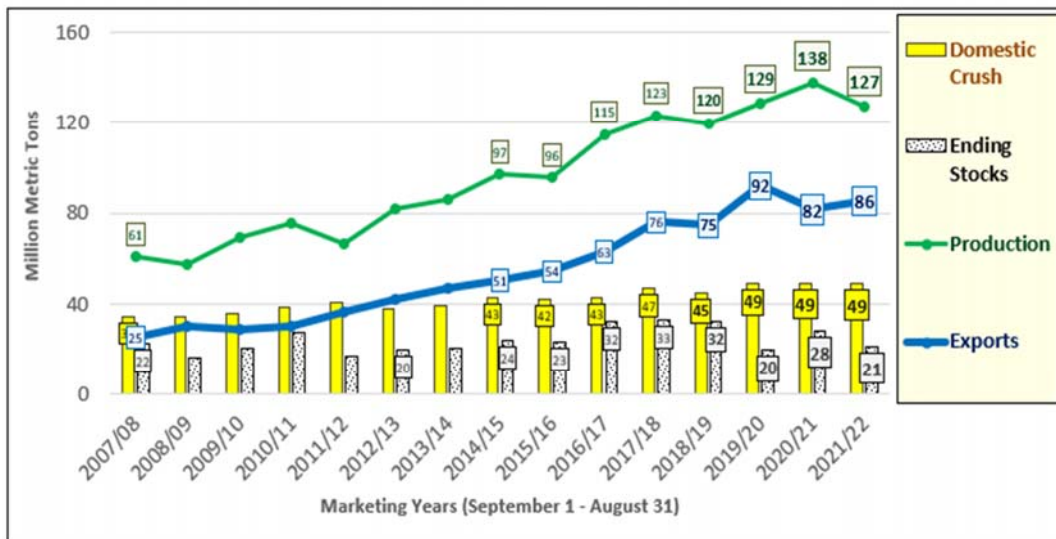
## South America Soybean Supply-Demand Trends: MY

2007/08 – “New” MY 2021/22 as of the March 9, 2022 USDA WASDE Report



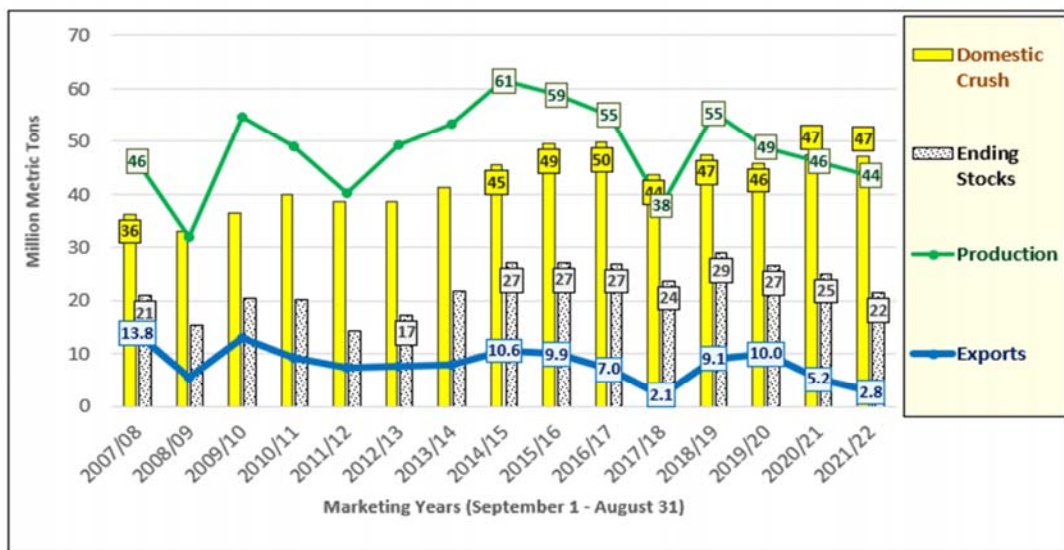
## Brazil Soybean Supply-Demand Trends: MY 2007/08 – “New” MY

2021/22 as of the March 9, 2022 USDA WASDE Report



## Argentina Soybean Supply-Demand Trends: MY 2007/08 –

“New” MY 2021/22 as of the March 9, 2022 USDA WASDE Report





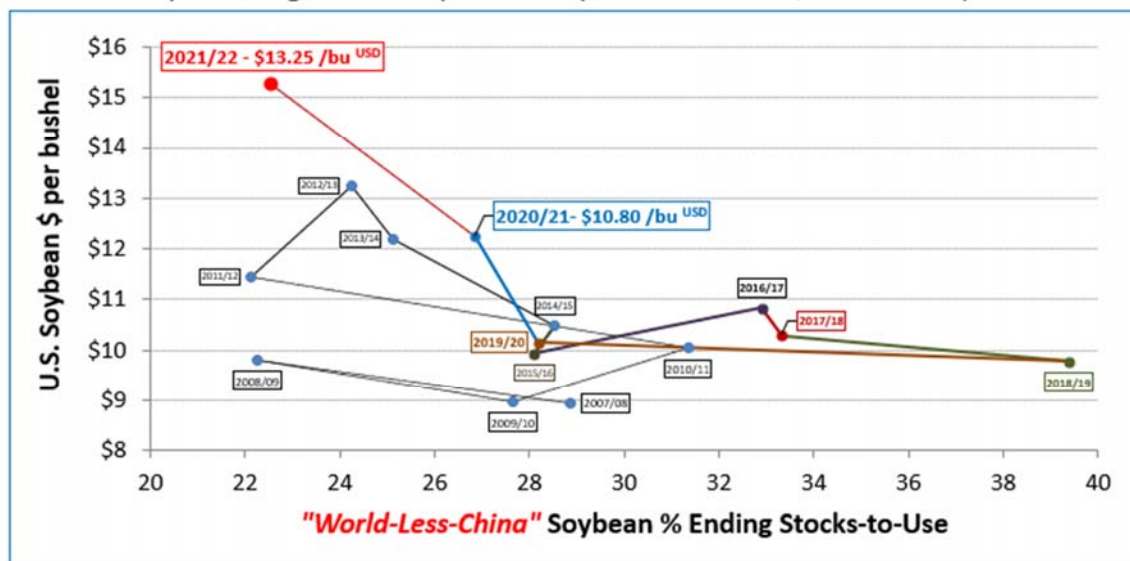
## China Soybean Supply-Demand Trends: MY 2007/08 – “New Crop” MY 2021/22

2021/22 as of the March 9, 2022 USDA WASDE Report



## U.S. Soybean \$<sup>USD\$ Adj</sup> vs “World Less-China” % Stocks-to-Use:

MY 2007/08 through “New Crop” MY 2021/22 as of the March 9, 2022 WASDE Report



## World vs % "World Less-China" Soybean Stocks-to-Use

MY 1992/93 through "New Crop" MY 2021/22, as of the March 9, 2022 USDA 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 ¾	+ \$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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**KSUGrains** on Twitter

[www.AgManager.info](http://www.AgManager.info)



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