Farm Journal
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News this week...

Soybeans surge to new highs – *Soybean futures posted contract highs last week, with front-month futures hitting the highest level since July on the continuation chart. South American crop woes and Indonesian curbs on palm oil exports sparked concerns about global oilseed supplies. The surge in soybeans pushed March corn futures to their highest level since May, while new-crop December futures posted new highs. Early week gains in wheat were erased by reduced concerns about an imminent military move by Russia against Ukraine and a surge in the U.S. dollar index to a 19-month high (see "General Outlook" on* Analysis page 4*). Cattle futures rebounded from initial losses in reaction to the bearish Cattle on Feed Report (see* News page 2*). Hog futures rallied, with deferred contracts posting new highs.*

S. American weather improves, but...

Rains provided temporary relief across Argentina and areas of southern Brazil last week, though isolated areas went from drought to flooding. Crop Consultant Dr. Michael Cordonnier says the rains helped some areas, but weren't enough to counter damage from recent extreme heat and dryness, especially in southern Brazil.

World Weather Inc. says there's a good chance another high pressure ridge could develop over Argentina in mid-February, though it may be weaker than the recent dome.

Russia pauses for now; talks ongoing

Russian Foreign Minister Sergei Lavrov said the American proposal to defuse tensions with Ukraine contained "rational elements," even though some key points were ignored. Russia continues to deny it has any intentions of invading Ukraine, despite massing thousands of troops, tanks and equipment near its neighbor's eastern border. President Joe Biden believes Russia will eventually invade.

U.S. Q4 GDP jumps; rate hikes ahead

U.S. GDP jumped a stronger-than-expected 6.9% in the final quarter of last year. For all of 2021, the U.S. economy grew 5.7%, the strongest since 1984.

Fed Chair Jerome Powell said "the economy no longer needs sustained high levels of monetary policy support," and that "it will soon be appropriate to raise" interest rates. The market expects the rate hikes to start in March and the Fed to then begin paring back its massive balance sheet.

Inflation rises, consumer buying falls

The U.S. personal consumption expenditures (PCE) price index increased 0.4% in December and surged 5.8% in 2021 — the largest annual advance since 1982. Excluding the volatile food and energy components, the so-called core PCE price index rose 0.5% in December and accelerated 4.9% last year — the biggest jump since 1983.

Consumer spending, which accounts for more than two-thirds of U.S. economic activity, dropped 0.6% last month.

Vilsack addressed key ag issues

USDA Secretary Tom Vilsack gave us the following updates during his appearance on AgriTalk last week:

• **Covid and disaster aid payments coming.** USDA is close to figuring out how the money will be divvied up. Vilsack wouldn't commit to a specific timeline, but said aid for hog producers is coming soon, as "issues" are close to being resolved.

• **CRP enrollment.** He said USDA has already taken steps to attract acres... "realigned bid rates based on what's happening in the real world." USDA will hold a general signup for the Conservation Reserve Program (CRP) Jan. 31 to March 11 and a Grasslands CRP signup April 4 to May 13.

• **RFS.** He said the proposed 15-billion-gallon mandate for ethanol in 2022 is solid because EPA won't grant waivers.

We have answers to some of the questions about other key ag issues you've recently asked on *News page 4*.

EPA extends RFS compliance dates

EPA finalized a rule that would give oil refiners more time to comply with biofuel blending mandates, including those from previous years. The agency also announced it would change the way in which future deadlines are determined to help ensure that each year's deadline falls after the standards for the subsequent compliance year are known. The changes mark slight shifts in the proposals initially released by EPA.

USDA to extend cover crop aid

USDA forwarded a final rule on the Pandemic Cover Crop Program to the Office of Management and Budget, signaling it might become a permanent crop insurance option for producers. New funding would be needed as the 2021 program was authorized under the December 2020 Covid aid package.

WTO sides with China over U.S. duties

China can impose $645 million in retaliatory tariffs against U.S. goods, the World Trade Organization (WTO) ruled, stemming from U.S. anti-subsidy tariffs on Chinese goods from 2008 to 2012. It is not clear whether China will pursue the retaliatory actions and what products it may target.

Brazil, Argentina crops stabilize

Recent rains across Argentina and southern Brazil, along with drier conditions in central and northern Brazil, stabilized crops — for now. Crop Consultant Dr. Michael Cordonnier maintained his crop estimates in both countries. He estimates Brazilian production at 134 million metric tons (MMT) for soybeans and 112 MMT for corn. In Argentina, he forecasts production at 43 MMT for soybeans and 51 MMT for corn.

Paraguay can't catch a weather break

Farmers in Paraguay failed to catch much of a break from heat and dryness. As a result, Cordonnier cut his soybean crop estimate for the country by 1 MMT to 6 MMT.

HRW conditions deteriorate more

Individual state crop condition ratings showed further deterioration of the HRW wheat crop during January due to drought in the Plains. The "good" to "excellent" ratings for HRW wheat dropped to 30% for Kansas (down three points from the end of December), 16% for Oklahoma (down four points), 7% for Texas (didn't update at the end of December), 20% for Colorado (down five points), 36% for Nebraska (down three points) and 31% for South Dakota (down seven points). The Montana rating improved two points to 14% "good" to "excellent." For the end of January, HRW condition ratings are the third lowest ever behind 2018 and 2013.

When the state data is plugged into the weighted *Pro Farmer* Crop Condition Index (CCI; 0 to 500 point scale, with 500 being perfect), the HRW crop plunged to a rating of 270.4, down 54.1 points from the end of November and 59.5 points below the five-year average for early April, when USDA will resume its national ratings.

Two-thirds of winter wheat in drought

The amount of U.S. winter wheat area considered in drought conditions remained at 68% for the week ended Jan. 25, though there were some categorical changes. USDA said winter wheat drought was 25% "moderate," 23% "severe," 18% "extreme" and 2% "exceptional."

Abnormally dry/drought conditions increased nine percentage points to 91% in Nebraska, five points to 86% in Kansas and one point to 96% in Oklahoma. Dryness/drought conditions were unchanged in Texas (96%), Montana (92%), Colorado (100%), and South Dakota (78%).

There was improvement in some SRW states, though top producing Illinois showed a 10-point increase to 26% of the state considered to be abnormally dry/drought.

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Sentiment eases in rural areas

The Rural Mainstreet Index (RMI) fell to 61.1 in January from December's 66.7, according to the monthly survey of bank CEOs in rural areas of a 10-state region dependent on agriculture and energy. However, it remained above growth-neutral for the 14th straight month.

Bankers identified rising farm input prices as the most significant risk for farmers this year. Delivery disruptions for farm inputs ranked second, followed by rising interest rates.

On average, the bank CEOs surveyed expect the Fed to raise short-term interest rates by 70 basis points this year. Approximately 18.5% of bankers expect four or more one-quarter percentage point rate hikes in 2022.

The region's farmland price index decreased from December's record high but remained above growth-neutral for the 16th straight month. The farm equipment-sales index remained above growth-neutral for the 14th consecutive month, though it fell from December.

U.S. consumer confidence fades

The Conference Board's consumer confidence index slipped to a reading of 113.8 this month from 115.2 in December. Consumers' inflation expectations over the next 12 months slipped to 6.8% from 6.9% in December and down from a 13-year high of 7.3% in November. The Conference Board's measure of current conditions rose, but its gauge of expectations for growth in the short term eased.

Record U.S. goods trade deficit

The U.S. registered a record trade deficit in goods of $101.0 billion in December. U.S. exports of goods increased to $157.3 billion, up $2.2 billion from November. U.S. goods imports increased to $258.3 billion, up $5.1 billion from November.

The December foods, feed and beverage category had a deficit of $2 billion, compared to $1.7 billion in November. Foods, feed and beverage exports totaled $13.7 billion, down $1.1 billion from November. Imports for the category dropped to $15.7 billion, down $765,000 from the previous month.

IMF lowers global growth forecast

The International Monetary Fund (IMF) downgraded its global growth forecast for this year due to rising Covid-19 cases, supply chain disruptions and inflation. IMF expects global gross domestic product to weaken from 5.9% in 2021 to 4.4% this year, down 0.5 point from its previous forecast.

The U.S. is expected to grow 4.0% in 2022, 1.2 points lower than previously forecast as the Fed is expected to withdraw monetary stimulus. The outlook removed the Build Back Better fiscal package from its baseline projection.

IMF projects China's economy will grow 4.8% this year, down 0.9 point from its prior outlook.

Judge delays California's Prop 12

Sacramento Superior Court Judge James Arguelles ruled California's Proposition 12 will not take effect on sales of whole pork meat until 180 days after the final regulations are enacted. He rejected a request that the provision not take effect until 28 months after the California Department of Food and Agriculture (CDFA) and California Department of Public Health finalize the regulations.

CDFA said it is still enforcing the regulations covering square footage requirements for hog producers, but not retailers. "The judge's ruling is a narrow one that applies only to retailers, including grocers, and not to pork producers providing pork products to California," CDFA said.

The National Pork Producers Council called the ruling a "temporary reprieve."

Attention now shifts to the U.S. Supreme Court, which has not announced whether it will take up the challenge to Proposition 12. That case was relisted from the Supreme Court conference Jan. 14 and again on Jan. 21.

Supreme Court to review WOTUS

The Supreme Court will review a decision by the 9th U.S. Court of Appeals that wetlands and other waters fall under federal jurisdiction if they possess a "significant nexus" to navigable waters. The Biden administration moved to scrap the Trump-era Navigable Waters Protection Rule, which abandoned the "significant nexus test." The administration has proposed rolling back the Waters of the U.S. (WOTUS) rule to an updated version of its pre-2015 definition — to include waters with a significant nexus to traditionally navigable waters — while the agency works on a broader rewrite in a second rulemaking. The outcome of the Supreme Court review could have major implications for the ongoing WOTUS rulemakings.

Restaurant food price forecast raised

U.S. food prices increased 3.9% in 2021, according to USDA's Economic Research Service (ERS). That included a 3.5% increase in food at home (grocery stores) and a 4.5% jump in the price of food away from home (restaurants).

For 2022, all-food inflation is expected to run 2.0% to 3.0%, unchanged from ERS's prior outlook. ERS raised its forecast for restaurant prices to 3.5% to 4.5% above 2021 levels. Price increases for food away from home are expected to exceed historical averages but be at or below the inflation rate in 2021.

ERS projects grocery store food prices will increase between 1.5% and 2.5% this year, also unchanged from the prior outlook. However, ERS raised its outlooks for beef/veal, pork, fish and seafood, dairy, processed fruits and vegetables, sugars and sweets and nonalcoholic beverages. The only category for which ERS lowered its forecast was fresh vegetables.

Drought causes jump in placements

USDA in its Cattle on Feed Report estimated there were 12.037 million head of cattle in large feedlots (1,000-plus head) as of Jan. 1, up 70,000 head (0.6%) from year-ago and 94,000 head more than the average pre-report estimate implied. The increase was primarily driven by a 6.5% jump in placements during December. December marketings increased 0.2%, which was fractionally less than anticipated.

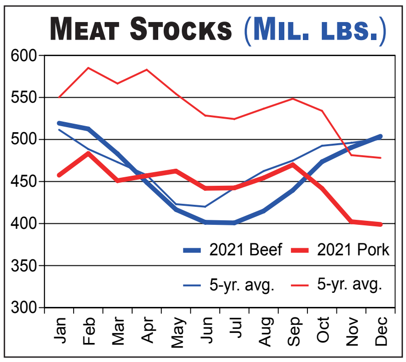
Cattle on Feed Report	USDA actual	Average estimate
	(% of year-ago)	
On Feed Jan. 1	100.6	99.8
Placed in Dec.	106.5	102.6
Mkted in Dec.	100.2	100.8

The bigger-than-expected jump in December placements appears to have been driven largely by drought in the Plains, as Colorado (+10,000), Kansas (+10,000), Nebraska (+25,000) and Texas (+65,000) accounted for 110,000 head of the 119,000-head increase. Feedlots placed more cattle than year-ago in the four lowest weight categories, with lightweights (under 600 lbs.) up 9.8%, 6-weights up 8.0%, 7-weights up 5.9% and 8-weights up 4.4% from year-ago levels. Given ongoing drought in the Plains, we expect more cattle to be pushed into feedlots in the months ahead.

Steers on feed fell 40,000 head (0.5%) and heifers rose 110,000 head (2.4%) from year-ago levels. The larger number of heifers in feedlots signals herd contraction continues, at least partially due to drought conditions in pastures.

Frozen meat inventories remain tight

USDA's Cold Storage Report showed beef stocks rose a little more than normal in December, while the decline in pork stocks was less than normal. But the overriding takeaway from the data was a tight supply situation.



Frozen beef stocks at 503.8 million lbs. rose 13.4 million lbs. from November, whereas the previous five-year average was an 8.8-million-lb. increase during the month. However, beef stocks dropped 32.1 million lbs. (6.0%) from December 2020 and were 9.4 million lbs. (1.9%) below the five-year average.

Pork stocks at 398.9 million lbs. dropped 3.2 million lbs. from November versus the five-year average of a 12.8-million-lb. decline during December. Pork stocks fell 17.0 million lbs. (4.1%) from December 2020 and were 93.0 million lbs. (19.1%) below the five-year average.

Chicken breast meat inventories dropped 104.5 million lbs. (40.6%) from last year's record to 152.6 million lbs., which was 27.0% below the five-year average.

What you want to know

By Washington Policy Analyst Jim Wiesemeyer and Editor Brian Grete

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We get a slew of questions and comments from Members via email and during our presentations at various conferences. Here are several of the key topics you recently asked about.

Will there be another similar program to PPP?

The Paycheck Protection Program (PPP) really helped some in the ag sector. Congressional Democrats and the White House are talking about a very targeted Covid aid package limited to certain sectors, including restaurants, airlines, nursing homes and a few others, but nothing near the prior PPP rollout.

Market implications for geopolitical actions

If Russia invades there would likely be an initial bull move for both corn and wheat because Ukraine sells both crops to China. But a rally would be a selling opportunity. In 2014 when Russia annexed Crimea from Ukraine, SRW wheat futures rallied 13.9% and corn firmed 10.6%.

As for China "dealing" with Taiwan... we and apparently a lot of farmers are antsy about the U.S. ag sector again being caught in the middle. The U.S. and others would very likely impose sanctions on China's actions.

The future of Phase 1... and will enforcement happen?

USDA Secretary Tom Vilsack recently addressed this topic during a hearing, but he did not detail what enforcement action the U.S. could or would take. He simply listed the seven or so areas China needs to fulfill relative to the Phase 1 accord. We note that China will continue to purchase ag commodities from the U.S. and others because it needs them, not necessarily because of any trade accords.

Will carbon markets ever materialize... if so, when?

We think carbon markets will materialize but not this calendar year relative to any Washington endeavor. For timing, watch the coming push for a $400 billion or more climate package in a scaled-down Build Back Better (BBB) program. Odds of that measure clearing Congress are above 50% via budget reconciliation where all Democrats voting for it would see it become law. Centrist Sen. Joe Manchin (D-W.Va.) supports this topic. Specific ag-related carbon mitigation funding would be included in any final package, largely focused on conservation programs and production practices.

Will U.S. political parties ever be civil again?

Eventually, yes, but not soon. Reason: The party out of power can get back into controlling Washington via the next election. Until there is a bigger spread in who controls the political strings, discord will prevail.

Do you have additional info regarding WHIP+?

Payouts initially are coming in April or May via the Wildfire and Hurricane Indemnity Program-Plus (WHIP+) program. Congress authorized $10 billion over four months ago with instructions to make the program less complex and to implement accelerated payments versus the lengthy payment process for eligible 2018 and 2019 ag disasters. The coming program impacts eligible 2020 and 2021 crops, livestock and dairy.

Payments will likely be split in two tranches. The first tranche will be "based on information we already have," Vilsack said. There would be pre-filled applications for grain producers (and) livestock forage data. Then there will be a second tranche to basically make up for whatever the first tranche didn't cover, or for those who didn't have Noninsured Crop Disaster Assistance Program (NAP) information or crop insurance information. USDA would then leverage the data it already has on file to calculate the benefit. The second tranche would include opportunities for shallow losses and quality.

On the livestock side, under the first phase USDA would use Livestock Forage Disaster Program (LFP) data, which would not require a producer to file an application. Rather, FSA would just generate a payment based on the information submitted for LFP. Under the second tranche for livestock, USDA would be looking at what other gaps there may be to close them. This approach, meant to avoid FSA having to manually key in information already held by RMA, will save time in getting help out to producers.

Why are farmers holding so much old-crop corn, beans?

We asked that question at conferences and several mentioned concerns about drought conditions in the Plains moving into the Midwest. That's a valid concern, though forecasts suggest La Niña will subside by spring. And with over 60% of corn stocks and nearly 50% of soybean stocks as of Dec. 1 held on farm, it would take a major weather event here or significant weather woes in South America to push prices sharply higher from current levels.

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Farm Journal CEO, Andrew Weber

CATTLE - Fundamental Analysis

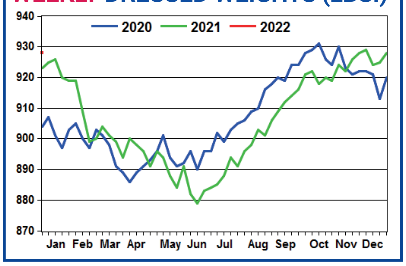
December feedlot marketings essentially matched year-ago levels, whereas traders were expecting a result about 1% higher. Cattle slaughter has since run 4% to 5% below year-ago due to worker absenteeism in the packing industry. Thus, a modest backlog of feedlot cattle has seemingly developed, as implied by recent steer carcass weights at 928 lbs. per head, just 1 lb. below the December peak. This has depressed cash and futures prices. Resurgent packer operations and active producer marketings could quickly resolve this issue, but the cattle market needs to get it done in order to improve the spring outlook.

Position Monitor

Game Plan: Fed cattle producers should keep risk in the cash market. Short-term hedges may be needed if the recent lows are violated.

	Feds	Feeders
I'22	0%	0%
II'22	0%	0%
III'22	0%	0%
IV'22	0%	0%

WEEKLY DRESSED WEIGHTS (LBS.)



DAILY APRIL LIVE CATTLE

HOGS - Fundamental Analysis

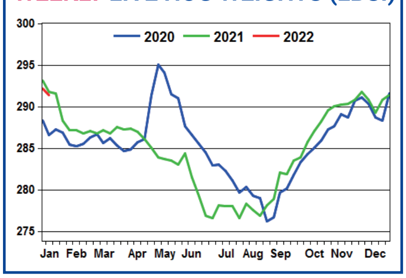
Hog futures continued their mid-January surge early last week, but stalled amid short-term overbought conditions and the surging dollar. A mid-winter drop wouldn't be terribly surprising since Covid-slowed packing operations have limited January slaughter below hog supply rates, around 10% and 6% under year-ago levels, respectively. Last week's renewed pork market fluctuations didn't help the bullish cause either. Still, such a development would likely prove temporary, particularly with spring-summer futures remaining well below comparable year-ago cash levels despite the big supply reduction.

Position Monitor

Game Plan: We believe there's more upside in hog futures. But we're watching for signs of a top that would suggest at least short-term hedges would be required.

	Lean Hogs
I'22	0%
II'22	0%
III'22	0%
IV'22	0%

WEEKLY LIVE HOG WEIGHTS (LBS.)



DAILY APRIL LEAN HOGS

FEED

Feed Monitor

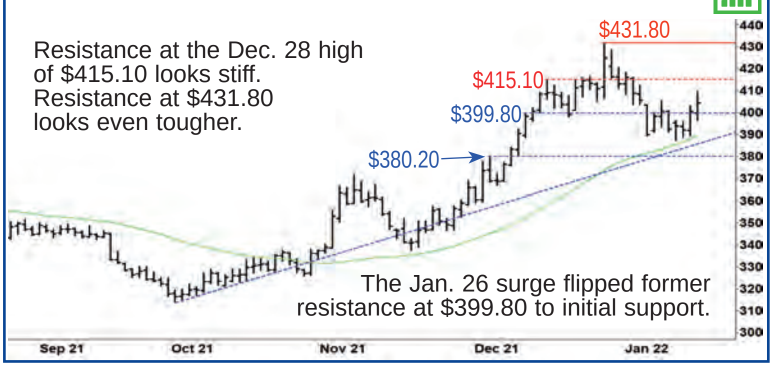
Corn	
I'22	0%
II'22	0%
III'22	0%
IV'22	0%

Meal	
I'22	33%
II'22	0%
III'22	0%
IV'22	0%

Corn Game Plan: You are hand-to-mouth on corn-for-feed needs. We'll wait on a pullback to the $6.00 level or lower to advance coverage.

Meal Game Plan: Your cash soybean meal coverage will run out at the end of January. We are targeting a drop to the $385 level in March futures to further extend cash coverage.

DAILY MARCH SOYBEAN MEAL

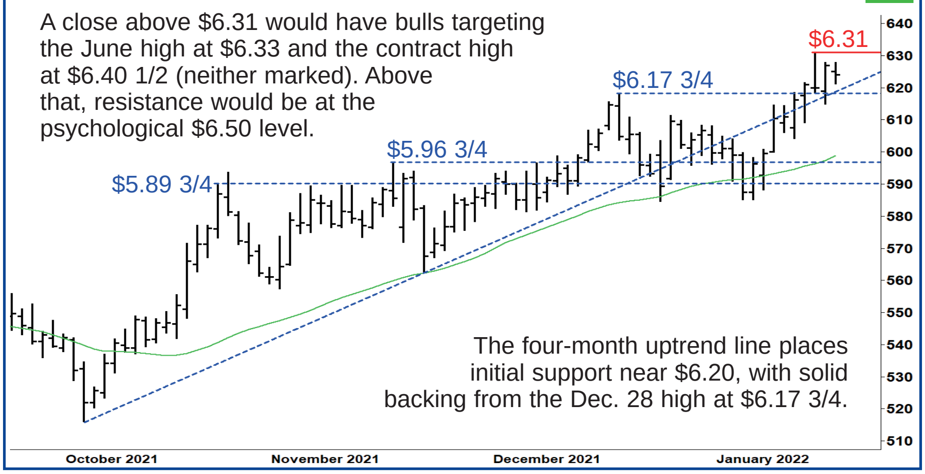


Position Monitor

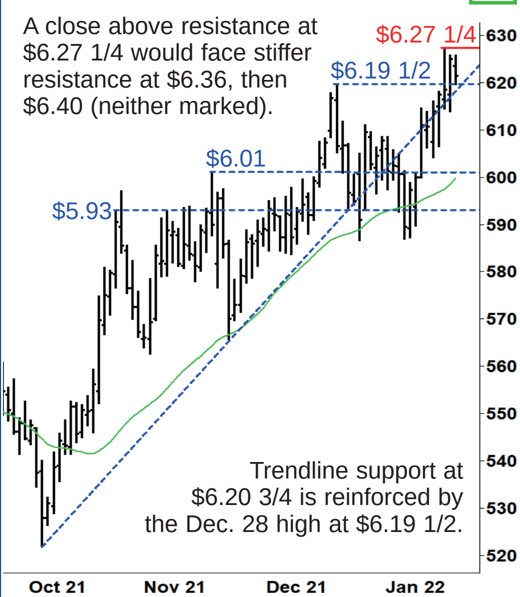
	'21 crop	'22 crop
Cash-only:	70%	20%
Hedgers (cash sales):	70%	20%
Futures/Options	0%	0%

Game Plan: Get current with advised 2021- and 2022-crop sales. Be prepared to advance old-crop sales on a challenge of the contract highs. While bulls have momentum and technicals are strengthening, corn may struggle to find sustained buyer interest above $6.00 unless Russia invades Ukraine or South American crop concerns build. We'll likely sell more 2022-crop when we advance old-crop sales.

DAILY MARCH CORN



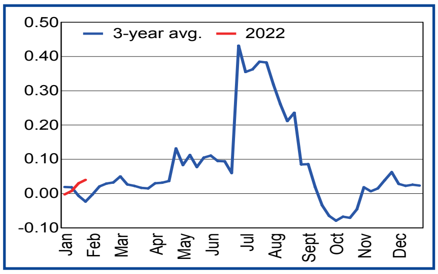
DAILY MAY CORN



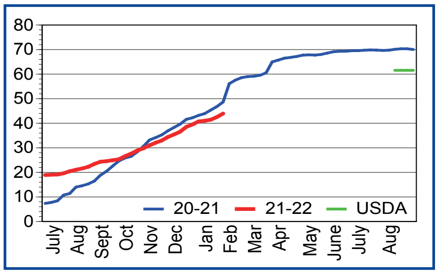
CORN - Fundamental Analysis

The corn market finds itself caught between competing forces: a South American weather-driven rally in soybeans and a surging U.S. dollar, which could curb investor buying. The outcome of the Russia/Ukraine conflict could prove critical for the short-term price outlook. Some demand factors have turned shaky: U.S. ethanol margins dipped into the red for the first time since August and Midwest stocks reached record highs, suggesting production will slow. Exports perked up, but the resurgent dollar may mute the bullish impact. The longer-term uptrend remains intact, but we are still watching for sale opportunities, especially with December futures rising to new highs.

AVERAGE CORN BASIS (MARCH)



CORN EXPORT BOOKINGS (MMT)



Position Monitor

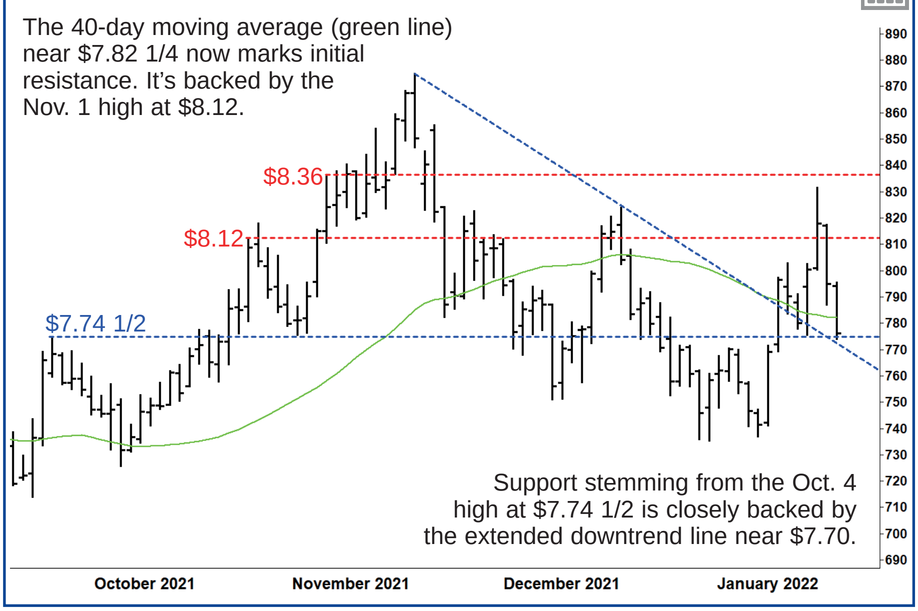
	'21 crop	'22 crop
Cash-only:	70%	20%
Hedgers (cash sales):	70%	20%
Futures/Options	20%	0%

Game Plan: Get current with advised sales. Seasonals are lower from mid-February through spring. We'll use any short-term strength on a Russian invasion of Ukraine and/or U.S. winter wheat concerns to advance sales.

WHEAT - Fundamental Analysis

SRW — Exports lag even with the recent uptick, and U.S. dollar strength makes us skeptical we'll see the sustained demand needed to keep prices elevated. But the bulk of price direction will come from the corn and soybean markets, along with geopolitical actions by Russia.

DAILY MARCH SRW WHEAT



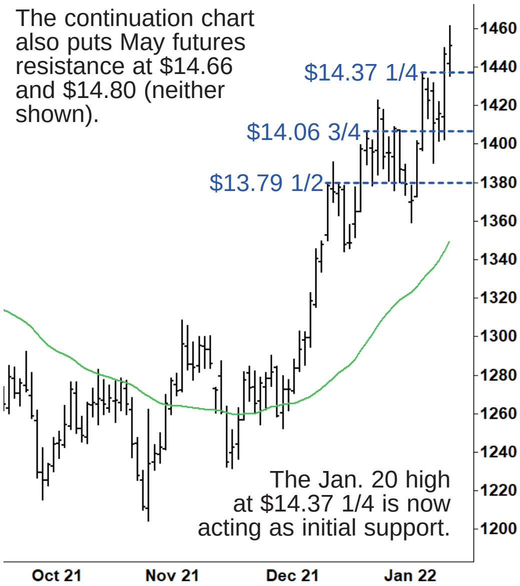
Position Monitor

	'21 crop	'22 crop
Cash-only:	75%	20%
Hedgers (cash sales):	85%	20%
Futures/Options	0%	0%

Game Plan: Get current with advised 2021- and 2022-crop sales. Both March and November futures have hit our upside price objectives. But bullish momentum is building, so we'll give the market a chance to run further to the upside before advancing sales. Be prepared to sell a sharp rally above the summer highs as that could signal a blowoff top. Signs of a top would also warrant more sales.

DAILY MARCH SOYBEANS

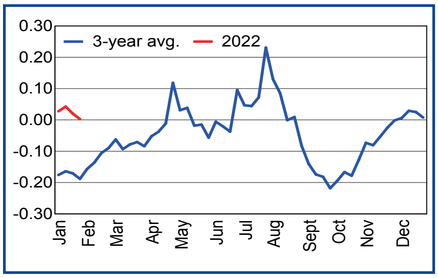
DAILY MAY SOYBEANS



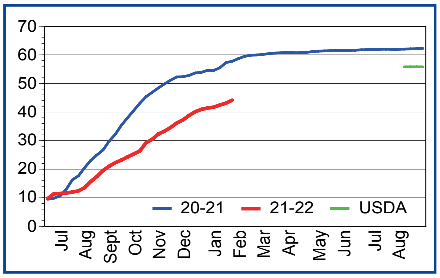
SOYBEANS - Fundamental Analysis

Drought in South America, accelerating exports and rallies in crude oil and palm oil have soybeans poised to extend a bull run into February. Early-harvest results from Argentina and Brazil and more cuts to private analyst crop estimates could provide added upside impetus ahead of USDA's Supply and Demand update Feb. 9, but we still see South America's expected harvest shortfall largely factored into prices. Focus will shift to the U.S. planting outlook and the likelihood of a solid increase in soybean acres and, potentially, a record crop for the second year in a row. Be prepared to use the strong price rally to increase old- and new-crop sales.

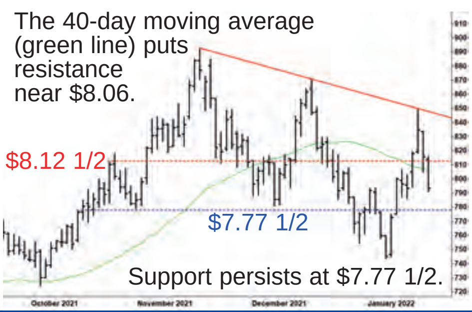
AVERAGE SOYBEAN BASIS (MARCH)



SOYBEAN EXPORT BOOKINGS (MMT)



DAILY MARCH HRW WHEAT

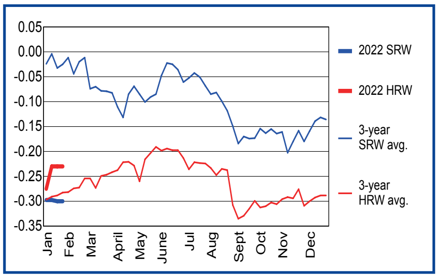


HRW — The return of a modest amount of carry to the market over the past month seems to reflect growing beliefs Plains drought *(see News page 2)* will cause substantial acreage abandonment this year. Near-term, soft exports and a firm dollar indicate the most likely path for prices is lower, not higher. Russia is the wildcard.

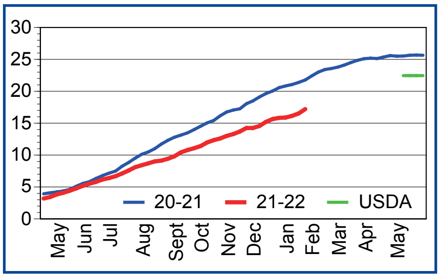
DAILY MARCH HRS WHEAT

HRS — The Northern U.S. Plains are expected to receive a blast of Arctic air in early February but limited snowfall prospects imply little moisture relief for parched soils. HRS turned in the weakest performance of the three wheat futures markets the past week, but elevated HRW and/or SRW prices may limit further declines near-term.

AVERAGE WHEAT BASIS (MARCH)



WHEAT EXPORT BOOKINGS (MMT)



Position Monitor

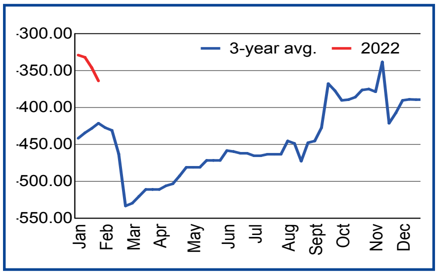
	'21 crop	'22 crop
Cash-only:	90%	40%
Hedgers (cash sales):	100%	40%
Futures/Options	0%	0%

Game Plan: Get current with advised sales. Be prepared for additional new-crop sales with December futures near our target of 100.00¢.

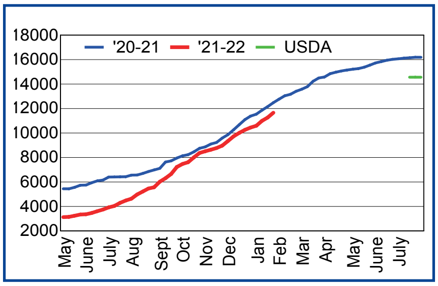
COTTON - Fundamental Analysis

U.S. cotton export sales for both 2021-22 and 2022-23 have continued to impress and are likely playing a big role in supporting futures prices. But we still harbor concerns about container availability and the domestic industry's ability to meet 2021-22 export sales commitments.

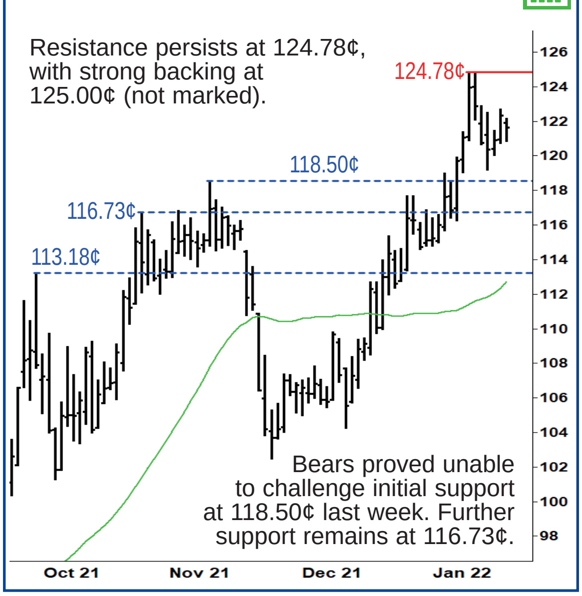
AVERAGE COTTON BASIS (MARCH)



COTTON EXPORT BOOKINGS ('000 BALES)



DAILY MARCH COTTON



GENERAL OUTLOOK

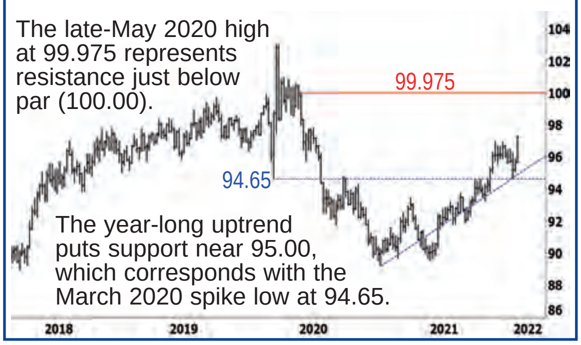
Currencies : Despite growing inflationary fears and elevated U.S. budget and trade deficits, the U.S. dollar index hit an 18-month high last week.

Growing consumer and investor concerns about inflation have supported the greenback in recent months. Fears of conflicts between Russia and Ukraine and China and Taiwan have also amplified geopolitical concerns in the financial markets. Indeed, one has to suspect the slow boil in the Russia/Ukraine situation likely played a role in triggering the mid-January rebound.

Anticipation of 2022 Fed interest rate increases to control inflation has also boosted the dollar, especially since most other central banks are seen as staying more dovish on monetary policy.

The surging dollar is a threat to U.S. commodity exports and could temper investor buying in ag markets.

WEEKLY U.S. DOLLAR INDEX



FROM THE BULLPEN By Market Analyst Bruce Blythe

As January comes to an end, May futures for the three "majors" — corn, soybeans and SRW wheat — are all poised to post gains for the month. The same thing happened in January 2020. But since 1990, the markets have posted such a trifecta only 10 times.

In those years when all three markets rose in the first month of the new year, May corn futures historically posted the strongest performance, gaining an average of 11.1% through April. But gains tended to be limited during February and March and then picked up again in April.

Soybeans tended to have a slight upward trajectory through late February before falling in March and then rebounding during April. In total, the average gain from the beginning of the year through April was 4.7%.

In the 10 years when there were gains in January, SRW wheat on average continued higher into mid-February before dropping sharply during February and March, and then leveling off in April. The average decline through April in those years was 1.4%.

This year, all three markets are tracking closely with the historical performances of those previous 10 years, illustrating South American crop concerns and heightened geopolitical tensions. The end results of those two highly volatile situations will largely determine whether the price history will repeat itself.

WATCH LIST

1	**Chinese Lunar New Year** China closed for public holiday.	JAN. 31-FEB 6
2	**USDA Cattle Inventory Report** Herd size will be under year-ago.	MON 1/31 2:00 p.m. CT
3	**USDA Grain, Soy Crush Rpts.** Corn, soy crush for December.	TUE 2/1 2:00 p.m. CT
4	**USDA Export Sales Report** Focus will be on China buys.	THUR 2/3 7:30 a.m. CT
5	**January Employment Report** *Will jobs data disappoint again?*	FRI 2/4 7:30 a.m. CT

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