



### News this week...

- 2 – Brazil lowers its soybean crop, USDA still behind.
- 3 – USDA raises beef exports after strong start to 2022.
- 4 – Did USDA data put the top in the wheat market?

**Wheat signals major market top as money flow shifts** – *Extreme volatility continued in the wheat (and crude oil) market last week as futures plunged and signaled a major market top. While global supply/demand uncertainties remain amid the ongoing war in Ukraine, money flow shifted. Instead of wildly pumping money into the long side of the market, traders actively exited long positions. Extreme market volatility is likely to continue, but it's unlikely wheat will revisit its recent highs. Despite the heavy pressure on wheat, corn traded sideways and soybeans worked slightly higher, as China and other global end-users continue to ramp up purchases. Cattle futures attempted to stabilize following two weeks of heavy long liquidation pressure. Hog futures also consolidated above their recent lows.*

## Russia halts some exports

Russia retaliated against Western sanctions by halting exports to those countries. Russia will also stop exports of wheat, meslin, rye, barley and corn to the Eurasian Economic Union (EEU) – Belarus, Kazakhstan, Armenia and Kyrgyzstan – until Aug. 31. It will also ban sugar exports until Aug. 31.

### Russia letting some grain ships leave the Azov Sea

Around 30 vessels have been allowed to leave Russian ports in the Azov Sea, *Interfax* reported. Many of the ships are reportedly carrying sunflower oil and grains.

## Biden: End MFN status for Russia

President Joe Biden called on Congress, along with the European Union and other Group of Seven countries, to revoke Russia's "most favored nation" trade status over its invasion of Ukraine. Along with other economic, financial and trade sanctions, this would allow the U.S. and others to add tariffs to any Russian imports, primarily energy products.

## FAO: Food prices could rise 20%

Global food prices could rise by 8% to 20% as a result of the conflict in Ukraine, the UN's Food and Agriculture Organization (FAO) warned. It says, "Livestock and poultry rearing as well as production of high value crops, such as fruits and vegetables, could also be constrained. FAO currently estimates 20% of Ukraine's winter crops won't be harvested and acreage for corn and sunflowers will be reduced by 30%. FAO's global food price index already surged to a record high in February – before there was much influence from the war.

## Ukraine farmers to focus on food crops

Ukraine is likely to reduce the area sown to sunseeds, rapeseed and corn this year and replace it with buckwheat, oats, millet and peas, the country's farmers union said. The government is encouraging farmers to plant spring crops in the safe areas of the country as soon as possible. A shortage of fuel will be farmers' main problem.

## Consumer prices surge to 40-year high

The U.S. consumer price index (CPI) increased 0.8% in February and surged 7.9% annually – the biggest year-over-year increase since January 1982. Core CPI, excluding food and energy, rose 0.5% for the month and 6.4% annually. Last month's CPI data does not fully capture the spike in oil and food prices following the Russian invasion of Ukraine.

## Granholm: Pump more oil, natty gas

Energy Secretary Jennifer Granholm urged energy companies to boost oil and gas production as the world faces a supply crunch. "We are in an emergency, and we have to responsibly increase short-term supply where we can right now to stabilize the market and minimize harm to American families," she said. Granholm does not believe boosting oil and gas output over the short-term would set back the Biden administration's broader long-term clean energy efforts.

## OMB clears canola oil in biofuel use

The Office of Management and Budget (OMB) has completed its review of a proposed rule from EPA outlining canola oil pathways to be used for renewable diesel, jet fuel, naphtha and liquid propane gas under the Renewable Fuel Standard (RFS). The fuel would qualify as an advanced biofuel under the RFS. EPA is expected to release its proposed rule on this soon.

## EPA restores stricter clean car regs

EPA will reinstate California's authority to set its own clean car standards after the state's authority was revoked by the Trump administration. The standards, which had been adopted by other states, are more stringent than federal regulations and are expected to push the market toward electric vehicles.

## USDA seeking info for SMHPP

USDA is seeking comment on the information it needs to determine whether a producer is eligible for the Spot Market Hog Pandemic Program (SMHPP) and to calculate a payment. Comments are due April 11. Based on this, payments won't likely start until at least late April or early May.

## Brazil cuts soybean crop estimate

Conab cut its Brazilian soybean crop estimate by 2.7 million metric tons (MMT) from last month to 122.8 MMT. Despite the smaller production peg, the Brazilian government's forecasting agency kept its 2021-22 soybean export forecast at 80.2 MMT. Conab left its Brazilian corn crop estimate at 112.3 MMT. It still expects the country to export 35 MMT of corn and import 1.7 MMT during 2021-22.

USDA slashed another 7 MMT off its Brazilian soybean crop estimate, lowering it to 127 MMT, though that's still well above Conab and private crop forecasters. USDA cut its 2021-22 Brazilian soybean export forecast by 5 MMT to 85.5 MMT. The agency left its Brazilian corn crop estimate at 114 MMT and its export projection at 43 MMT.

Crop Consultant Dr. Michael Cordonnier kept his Brazilian soybean crop peg at 124 MMT, though he says it could decline by "several million tonnes, depending on final yields in Rio Grande do Sul and northeastern Brazil." Cordonnier continues to estimate the Brazilian corn crop at 112 MMT.

## Argentine crop estimates lowered, too

The Rosario Grain Exchange cut its Argentine soybean and corn crop estimates due to impacts from drought. The exchange lowered its soybean crop estimate by 500,000 metric tons (MT) to 40 MMT and cut its corn production forecast by 300,000 MT to 47.7 MMT. The Buenos Aires Grain Exchange estimates Argentine production at 42 MMT for soybeans and 51 MMT for corn.

USDA reduced its Argentine crop estimates by 1.5 MMT for soybeans to 43.5 MMT and 1 MMT for corn to 53 MMT.

Cordonnier continues to peg Argentine production at 39 MMT for soybeans and 49 MMT for corn.

## USDA slashes Ukraine corn exports

USDA reduced its 2021-22 global corn export forecast by 3.8 MMT from last month to reflect sharply reduced shipments from Ukraine amid the closure of its ports due to the war with Russia. USDA now expects Ukraine to export 27.5 MMT of corn in 2021-22, down 6 MMT from its prior forecast. However, that would still be up 3.6 MMT from last year after aggressive shipments during the first half of 2021-22. A 1.9 MMT increase to USDA's U.S. corn export projection would only partially offset the lower Ukrainian exports. USDA also expects India to export more corn, though it is not a major shipper and therefore will have little impact on the global corn export situation.

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## Global wheat crop, exports adjusted

USDA increased its 2021-22 Australian wheat production forecast by 2.3 MMT to a record 36.3 MMT. That now matches the production estimate from the Australian government. The bigger Aussie wheat crop pushed USDA's global wheat production forecast up 2.1 MMT from last month. The world wheat crop is now expected to rise 2.5 MMT from last year.

USDA cut global wheat exports by 3.6 MMT from last month. USDA cut its export forecasts by 4 MMT for Ukraine and by 3 MMT for Russia due to the disruptions in shipments from the Black Sea. Those declines are expected to be only partially offset by increased shipments from Australia (up 2 MMT) and India (up 1.5 MMT).

## U.S. winter wheat continues to suffer

The amount of U.S. winter wheat faced with drought conditions stood at 73% as of March 8, according to the U.S. Drought Monitor. USDA rated winter wheat drought as 19% "moderate," 33% "severe," 18% "extreme," and 3% "exceptional."

For HRW areas, abnormally dryness/drought covered 99% of Kansas, 96% of Texas, 92% of Oklahoma, 82% of South Dakota, 89% of Montana and all of both Nebraska and Colorado. The Seasonal Drought Outlook calls for drought to persist in these areas through May.

## China wheat crop hurting, too

China's ag ministry says the country's winter wheat crop conditions are potentially the worst ever after heavy rains last fall delayed planting of about a third of the normal wheat acreage. China has allocated 1.6 billion yuan (\$253 million) to strengthen field management for winter wheat, the country's finance ministry said. Part of the money will be used to stabilize output of winter wheat in five main production regions, including Hebei and Shandong provinces, where planting of wheat was delayed. China will also allocate money to about a dozen main production regions to prevent and control impacts of extreme weather on wheat.

## Ukraine's spring crops in doubt

Ukraine will be able to plant only about 30% of its planned grain area this spring due to the war, and "50% is the most optimistic scenario," according to Alex Lissitsa, general director of Ukraine-based agribusiness IMC. Much of what is planted will be in western Ukraine. Ukraine's winter grains that were seeded last fall are in generally good condition.

## Russia offers aid for spring planting

Russia will provide farmers with short-term loans with preferential rates to ensure they have access to the inputs for spring planting. Russian officials say the spring planting season must be "uninterrupted" to ensure food security.

## China soybean imports jump to start 2022

China imported 13.9 MMT of soybeans in January and February, according to official trade data, up 4.1% from the first two months of last year. The imports were larger than expected and don't match up with the tightness in supplies reported by crushers, according to Mysteel. The China-based consultancy says some of the soybean arrivals in the first two months of this year must have gone to state-run firms for reserves, as "commercial buying did not support such high figures." China will start auctioning state-owned soybean reserves this week to alleviate tight supplies.

## China's overall trade slowed in January

China's exports rose 16.3% in the first two months of the year versus the same period a year earlier, beating analyst expectations for a 15.0% rise, but down from a 20.9% rise in December. Imports increased 15.5%, easing from a 19.5% gain in December and below the forecast 16.5% increase. That increased China's trade surplus to \$116.0 billion from \$94.5 billion in December. China's trade surplus with the U.S. stood at \$59.8 billion in the first two months of the year.

## China's meat imports plunged to start 2022

China imported 1.1 MMT of meat in January and February, down 33% from the same two-month period last year. A breakdown of meat imports by category won't be released until later this month, but an oversupply of domestic pork slowed China's imports during the first two months of 2022.

### *Beijing to keep buying pork to support domestic hog prices*

China made its second purchases of domestic pork for state reserves last week. The government intends to continue the purchases of domestic pork to support falling hog prices.

## China's inflation subdued – for now

China's producer price index (PPI) increased 8.8% from year-ago in February, easing from a 9.1% rise in January. That was the slowest annual growth in factory-gate prices since last June. But surging energy and commodity prices after Russia's invasion of Ukraine will push producer prices even higher.

China's consumer price index (CPI) inched up 0.9% in February, unchanged from January and the lowest reading since last September. Food prices dropped 3.9% amid a steeper decline in pork prices. Non-food prices rose 2.1%, up slightly from a 2.0% increase in January.

## China tells state firms to halt fuel exports

Beijing told state refiners to pause exports of gasoline and diesel in April as the war between Russia and Ukraine sparks supply concerns. China will keep coal output at record levels and speed up approvals for new mining projects to ensure sufficient supplies during the Russia/Ukraine conflict.

## U.S. beef exports start strong

The U.S. exported 287.6 million lbs. of beef in January. While shipments slipped 311,000 lbs. (0.1%) from December, the January tally was the most ever for the month and 41.6 million lbs. (16.9%) greater than last year. Big year-over-year increases in beef exports to China and South Korea more than offset smaller shipments to Mexico and Canada.

USDA raised its 2022 beef export forecast by 30 million lbs. from last month "based on recent trade data," but shipments are still expected to decline 4.3% from last year's record.

USDA raised its 2022 beef production forecast by 195 million lbs. on "higher fed and non-fed cattle slaughter." Beef production is still projected to fall 1.3% from last year.

Despite the increase in beef production and reduced exports, USDA raised its average cash steer price projection by \$2.00 from last month to \$139.50, which would be up \$17.10 from last year.

## U.S. pork exports dropped in January

The U.S. exported 510.2 million lbs. of pork in January, down 21.3 million lbs. (4.0%) from December and 95.8 million lbs. (15.8%) less than the previous year. Pork exports to China plunged 100.9 million lbs. (70.8%) from January 2021.

USDA lowered its 2022 export projection by 80 million lbs. from last month amid "increased competition in a number of Asian markets."

USDA lowered its domestic pork production forecast by 65 million lbs. from last month on a "slower pace of slaughter and slightly lighter carcass weights."

While the cut to exports was greater than the reduction in pork production, USDA raised its 2022 average cash hog price projection by \$6.00 from last month to \$71.00 and now forecasts prices to increase \$3.71 from last year.

## Food prices shot higher in February

U.S. food prices rose 1% from January and surged 7.9% on an annualized basis in February, according to the Bureau of Labor Statistics (BLS). Grocery store prices rose 1.4% in February and were 8.6% higher than last year. Restaurant prices rose 0.4% in February and 6.8% from year-ago.

"All six major grocery store food group indexes increased in February," BLS said. "The index for fruits and vegetables had the largest increase, rising 2.3%, its largest monthly increase since March 2010. The index for dairy and related products rose 1.9%, its largest monthly increase since April 2011. The index for meats, poultry, fish, and eggs increased 1.2% in February as all of its major component indexes increased. The index for cereals and bakery products rose 1.1%."

The rise in grocery store prices was the largest 12-month increase since April 1981, while restaurant prices increased at the highest rate since December 1981.

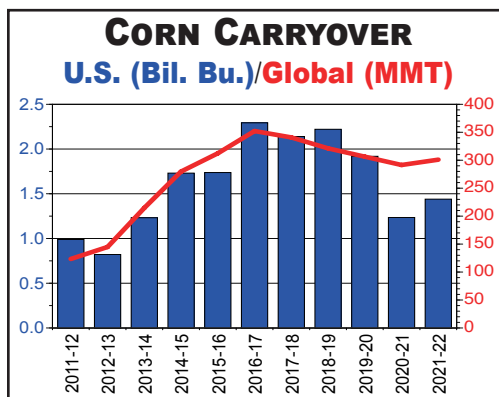


# USDA unexpectedly raises U.S., global wheat stocks

by Editor Brian Grete



Trusted Analysis. Professional Insight.



USDA included the following message at the top of this month's Supply & Demand (WASDE) Report: "NOTE: Russia's recent military action in Ukraine significantly increased the uncertainty of agricultural supply and demand conditions in the region and globally. The March WASDE represents an initial assessment of the short-term impacts as a result of this action."

**CORN** — USDA cut its 2021-22 corn ending stocks forecast by 100 million bu. from last month to 1.440 billion bushels. USDA increased food, seed and industrial use by 25 million bu. (to 6.785 billion bu.), with all of that increase in corn-for-ethanol use (5.350 billion bu.), and raised projected exports by 75 million bu. (to 2.5 billion bu.), "reflecting expectations of sharply lower exports from Ukraine."

Our corn ending stocks forecast is 1.440 billion bu. for 2021-22.

- USDA 2021-22 price: \$5.65, up 20¢ from last month; up \$1.21 from 2020-21.

Global corn carryover: 301.0 million metric tons (MMT) for 2021-22, down 1.3 MMT from February but still up 9.5 MMT from 2020-21.

**SOYBEANS** — USDA cut its 2021-22 soybean ending stocks projection by 40 million bu. from last month to 285 million bushels. USDA raised exports by 40 million bu. to 2.090 billion bu. due to reduced production and exports from South America. USDA also lowered residual use by 1 million bushels. USDA left its crush forecast at a record 2.215 billion bushels.

Our soybean ending stocks forecast is 210 million bu. for 2021-22. We anticipate even more U.S. exports amid further cuts to Brazil's crop. Increased global veggie demand should also increase U.S. crush.

- USDA 2021-22 price: \$13.25, up 25¢ from February; up \$2.45 from 2020-21.

Global soybean carryover: 90.0 MMT for 2021-22, down 2.9 MMT from last month and 11.8 MMT from 2020-21.

**WHEAT** — USDA unexpectedly raised its 2021-22 wheat ending stocks projection by 5 million bu. from last month to 653 million bu., whereas traders anticipated a 20-million-bu. reduction. USDA lowered total supply by 5 million bu. on reduced imports. On the demand side of the balance sheet, USDA cut projected exports by 10 million bu. to 800 million bushels.

Our wheat ending stocks forecast is 625 million bu. for 2021-22. While the export pace has been lagging, we expect the U.S. to pick up some lost business out of the Black Sea region due to the war.

- USDA 2021-22 price: \$7.50, up 20¢ from February; up \$2.45 from 2020-21.

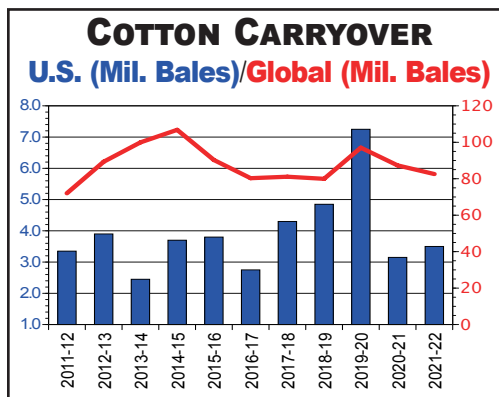
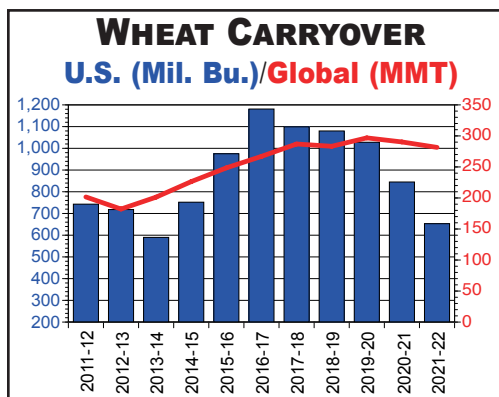
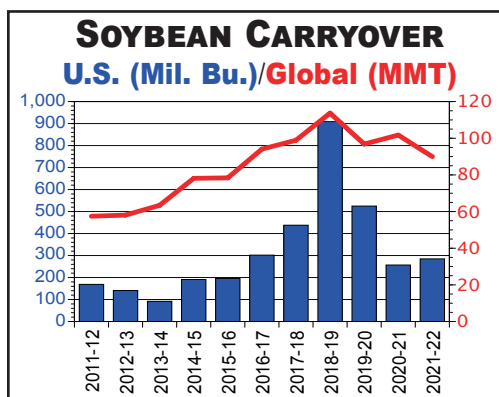
Global wheat carryover: 281.5 MMT for 2021-22, up 3.3 MMT from last month but still down 8.8 MMT from 2020-21.

**COTTON** — USDA made no changes to the old-crop balance sheet, maintaining its ending stocks forecast of 3.5 million bales.

Our cotton ending stocks forecast is 3.3 million bales for 2021-22.

- USDA 2021-22 price: 90.0¢, unchanged from February; up 23.7¢ from 2020-21.

Global cotton carryover: 82.6 million bales for 2021-22, down 1.7 million bales from February and now 4.8 million bales below 2020-21.



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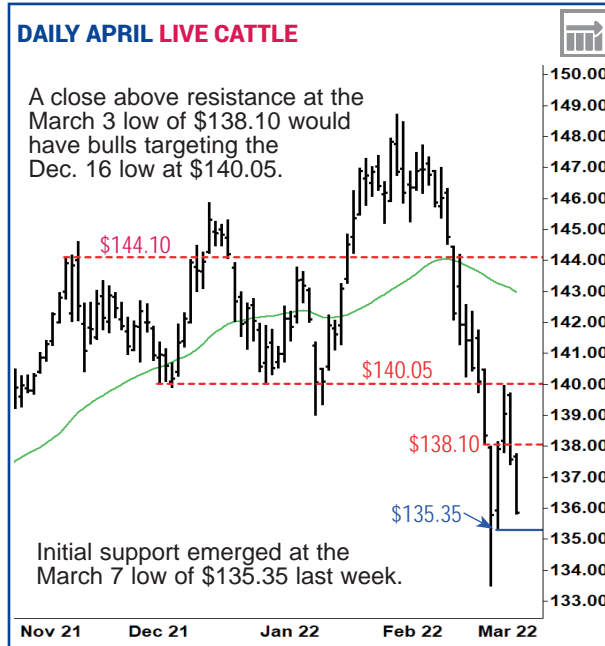
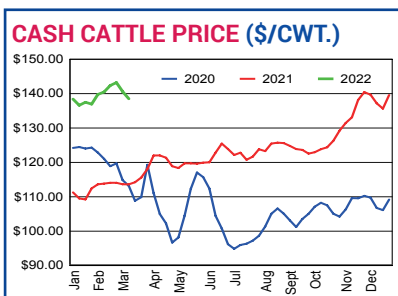
**CATTLE - Fundamental Analysis**

Active February cattle marketings and slaughter seemed to get feedlot inventories more current, but concerns about consumer demand recently sank cattle futures. Cash prices have followed to the downside. Traders are clearly worried about the impacts inflation and a potentially recessionary environment may have upon consumer beef demand. This runs counter to the general pattern of red meat demand holding up well in recessions, which seemingly reflects reduced restaurant visits and increased consumption at home. We expect renewed beef and cattle strength as the grilling season looms.

**Position Monitor**

**Game Plan:** We feel summer live cattle futures are undervalued, but short-term defensive hedges may be needed if the recent lows don't hold.

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



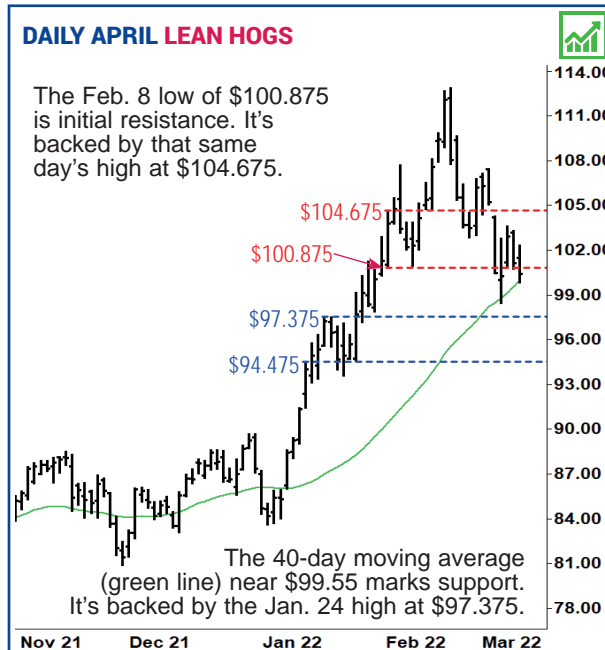
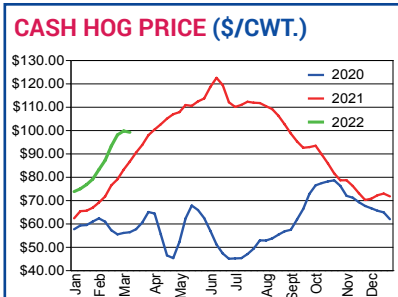
**HOGS - Fundamental Analysis**

Despite the comparative supply shortage seen this winter, the hog and pork complex has encountered the same tough sledding it often experiences at this time of year. Diminished Lenten meat demand and an uptick in slaughter rates likely account for this phenomenon. History suggests sideways to lower hog and pork prices through March. But a seasonal advance is almost surely coming, since slaughter rates resume their decline toward summer lows at the same time spring grilling demand surges. The potential for a cyclical 4% decline in supplies could greatly amplify the usual rally.

**Position Monitor**

**Game Plan:** The market could face more near-term price pressure on a seasonal late-winter pullback. But we feel summer-month hog futures are undervalued at current levels.

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



**FEED**

**Feed Monitor**

**Corn**

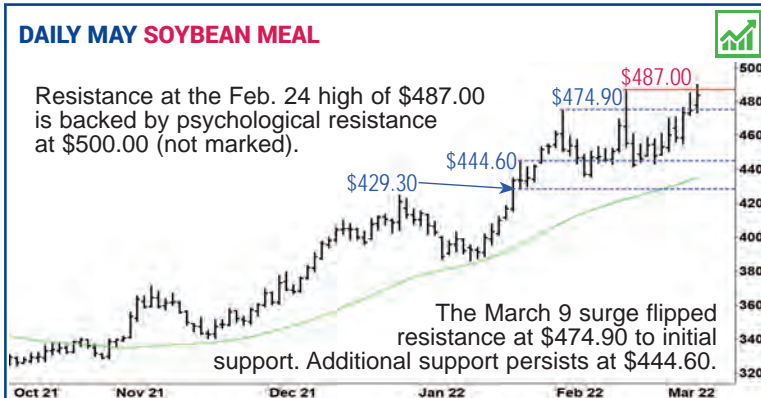
I'22	0%
II'22	0%
III'22	0%
IV'22	0%

**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. Wait on an extended corrective pullback once the market has topped to extend coverage.

**Meal Game Plan:** You are hand-to-mouth on soybean meal coverage. There's more near-term upside price risk, but we don't want to lock in current elevated prices for an extended period.

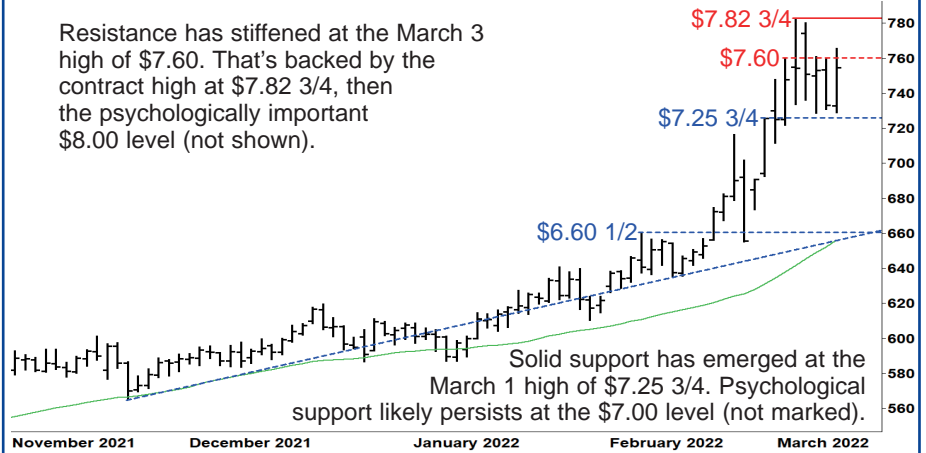


### Position Monitor

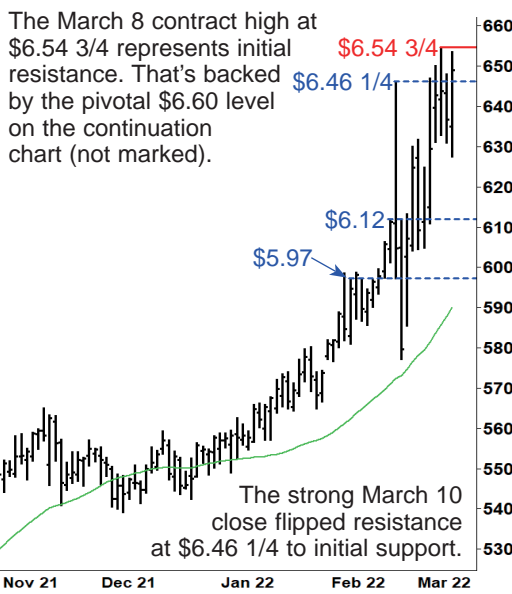
	'21 crop	'22 crop
Cash-only:	90%	40%
Hedgers (cash sales):	90%	40%
Futures/Options	0%	0%

**Game Plan:** Get current with advised sales. While there may be more upside if the Russia/Ukraine war persists, this is too good of a pricing opportunity to pass up. With old-crop down to gambling stocks, we'll hold remaining bushels until the market signals the upside is exhausted. We are targeting a move to \$7.00 or higher in December futures to advance new-crop sales unless the market signals a major top below that level.

### DAILY MAY CORN



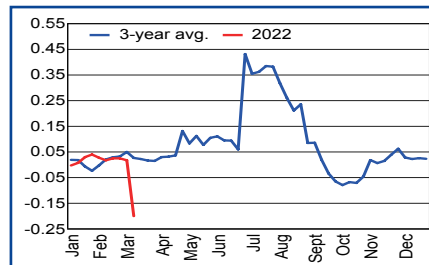
### DAILY DECEMBER CORN



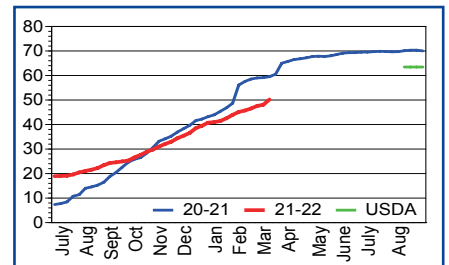
### CORN - Fundamental Analysis

USDA's boost to projected U.S. 2021-22 exports and a cut to ending stocks, plus a marketing-year high in weekly export sales, bolstered bulls' case and helped the market hold even as wheat nose-dived. But if wheat continues to tumble, it will be difficult for corn to completely disengage. One near-term key to price direction will be the level of importer panic buying, which makes upcoming USDA export sales reports of even greater importance, along with any further daily sales announcements. Speculative money flow will also be a key driver. The Ukraine crisis will keep prices elevated as USDA's March 31 Prospective Planting Report looms.

#### AVERAGE CORN BASIS (MAY)



#### CORN EXPORT BOOKINGS (MMT)



### Position Monitor

	'21 crop	'22 crop
Cash-only:	90%	40%
Hedgers (cash sales):	90%	40%
Futures/Options	10%	0%

**Game Plan:** Get current with advised sales. Be prepared to finish old-crop sales and increase new-crop sales, as prices are still at elevated levels and any additional upside potential may be dependent on money flow instead of fundamentals.

### DAILY JULY SRW WHEAT



### WHEAT - Fundamental Analysis

**SRW** – USDA delivered a reality check, cutting 2021-22 U.S. exports and reporting uninspiring weekly export sales, which underscored U.S. wheat's continued uncompetitiveness. Extreme recent volatility makes this market difficult to navigate, but there are strong signs of a major top.

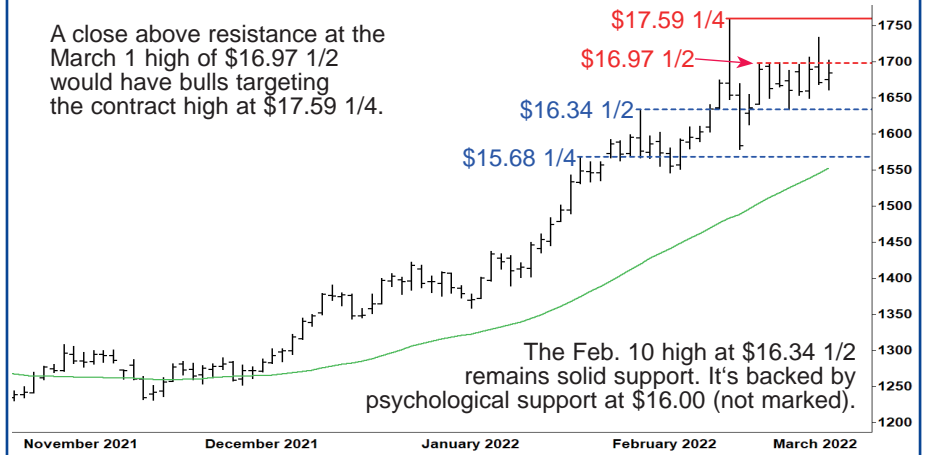
### Position Monitor

	'21 crop	'22 crop
Cash-only:	85%	40%
Hedgers (cash sales):	95%	40%
Futures/Options	0%	0%

**Game Plan:** Get current with advised sales. You should be down to gambling stocks on 2021-crop production. Those stocks will be held until the market confirms the upside is exhausted. For expected 2022-crop production, we're targeting a push above \$15.00 to increase sales. But a drop below \$14.00 would suggest a deeper pullback is likely and could prompt additional sales and/or hedges.

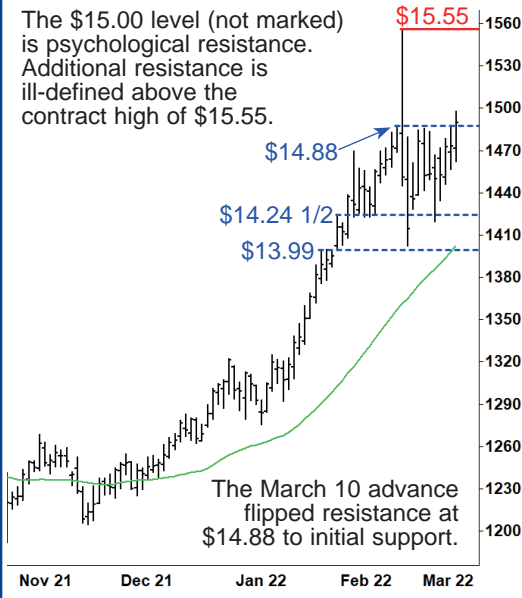
### DAILY MAY SOYBEANS

A close above resistance at the March 1 high of \$16.97 1/2 would have bulls targeting the contract high at \$17.59 1/4.



### DAILY NOVEMBER SOYBEANS

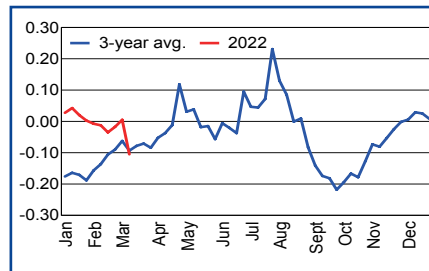
The \$15.00 level (not marked) is psychological resistance. Additional resistance is ill-defined above the contract high of \$15.55.



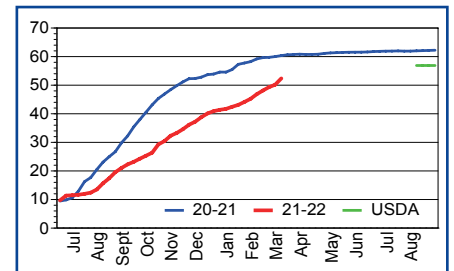
### SOYBEANS - Fundamental Analysis

China's soybean buying binge since late January continues to prop up nearby futures around \$17.00. Front-month soymeal's rally to the highest level since June 2014 may power further upside in beans, or at least provide underlying support. But a couple of markets raise red flags for bulls: crude oil, which plunged from a brief run above \$130, and wheat, which has established a major top. South American crop losses are largely baked in, so a continued slump in wheat could leave soybeans struggling to find buyers. The March 31 Prospective Plantings Report looms as a spring tone-setter, with soybeans battling corn, cotton and other crops for acres.

#### AVERAGE SOYBEAN BASIS (MAY)



#### SOYBEAN EXPORT BOOKINGS (MMT)



### DAILY JULY HRW WHEAT

The March 2 high at \$10.65 3/4 is initial resistance.

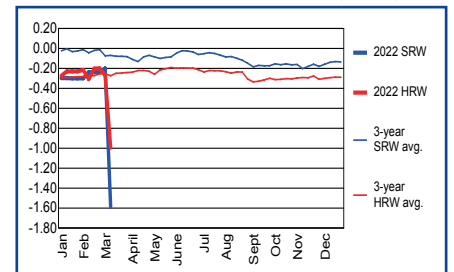


### DAILY JULY HRS WHEAT

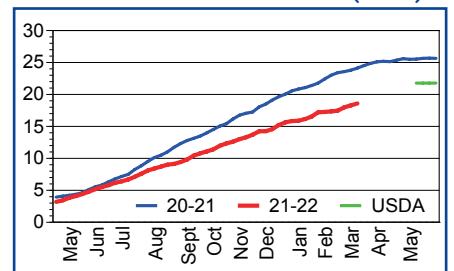
Last week's dive made the Feb. 24 high at \$10.60 1/2 initial resistance.



#### AVERAGE WHEAT BASIS (MAY)



#### WHEAT EXPORT BOOKINGS (MMT)



**HRW** – Mid-March snowfall expected for much of the U.S. Plains will bring some welcome moisture to parched HRW ground, but the drought-gripped crop will need more precip this spring. The Ukraine crisis will consume the market's attention near-term, with money flow a key driver and more whip-sawing price action likely ahead.

**HRS** – USDA lowered its projection for U.S. 2021-22 HRS wheat ending stockpiles by 5 million bu. to 124 million bu., a 14-year low. That further illustrated tight supplies of milling-quality wheat globally. Like winter wheat, HRS futures show signs of topping and likely will take directional cues from HRW and SRW markets over the near-term.

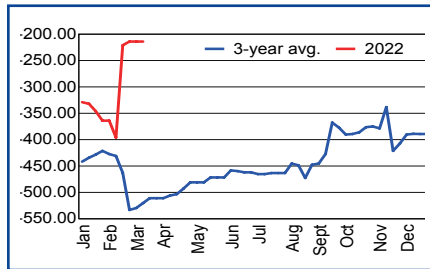


## Position Monitor

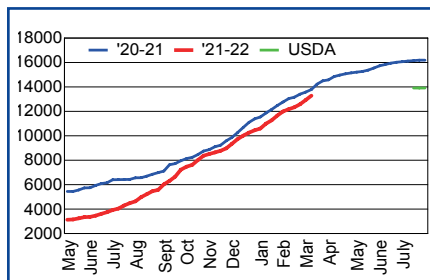
	'21 crop	'22 crop
Cash-only:	90%	50%
Hedgers (cash sales):	100%	50%
Futures/Options	0%	0%

**Game Plan:** Get current with advised sales. Cash-only marketers should be prepared to finish old-crop sales. Also, be prepared to increase 2022-crop sales.

## AVERAGE COTTON BASIS (MAY)



## COTTON EXPORT BOOKINGS ('000 BALES)



## COTTON - Fundamental Analysis

U.S. cotton export sales remain strong and shipments have recently averaged over 300,000 bales per week, but that pace will not reach USDA's 2021-22 forecast of 14.75 million bales. This implies the cotton market will weaken if exports don't accelerate.

## GENERAL OUTLOOK

**Economy:** Crude oil prices increased 2.3 times between November 2020 and the beginning of February. Moreover, inflation-adjusted crude oil prices doubled their long-term trend in early March. Luca Paolini, chief strategist at Pictet Group recently stated every time crude prices have done so over the past 50 years it has led to an economic recession.

The spread between 10-year and 2-year Treasury Notes signals recession-

ary concerns. As the chart shows, the 10-year premium over the 2-year yield dived under 0.3% last week, indicating comparative investor demand for longer-term instruments has surged. It seems set to turn negative soon. Research shows that every recession in the last 40 years has been preceded by an inverted yield curve, although the 2020 recession lasted about as long as the inverted spread of 2019.

## FROM THE BULLPEN By Market Consultant Dan Vaught

The U.S. Energy Information Administration (EIA) released its latest Short-Term Energy Outlook on March 8, basing its expectations on forecasts for U.S. GDP to rise by 3.6% in 2022 and 2.7% in 2023 after having grown 5.7% last year. EIA admits its projections are vulnerable to changing conditions stemming from the Russia/Ukraine war. The report was also published before President Joe Biden placed a ban on Russian oil imports.

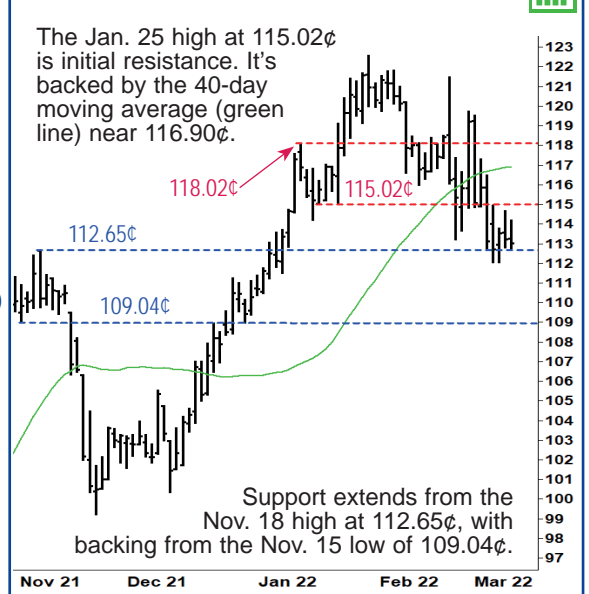
EIA expects Brent crude prices to fall from last week's high at \$139.86 to an average of \$102.00 during the second quarter of 2022; it puts the second half mean at \$116.00 and the 2023 average at \$89.00.

U.S. regular gasoline prices averaged \$3.52 per gallon in February, but the report

forecasts those will run at \$4.10 during the second quarter of 2022, with the second-half mean projected at \$3.71. Retail diesel prices averaged \$4.03 in February, but EIA now expects the second-quarter mean to reach \$4.43, then decline to \$4.04 during the second half of the year.

The Henry Hub natural gas price averaged \$4.69 per million BTUs last month. EIA expects increased March production and reduced consumption to cut the monthly mean to \$4.10. It forecasts the second quarter and calendar year 2022 averages at \$3.83 and \$3.95, respectively. No propane forecasts were made, but the report projected U.S. propane production would steadily rise from 1.73 million barrels per day last year to 1.91 million by 2023.

## DAILY JULY COTTON



## WEEKLY 10-YEAR/2-YEAR YIELD CURVE



## WATCH LIST

- 1 USDA Export Inspections Rpt.** **MON 3/14**  
Beans pacing above seasonal norm. 10:00 a.m. CT
- 2 NOPA Soy Crush Report** **TUE 3/15**  
February crush should be strong. 11:00 a.m. CT
- 3 EIA Weekly Ethanol Prod.** **WED 3/16**  
Production well above year-ago. 9:30 a.m. CT
- 4 FOMC Meeting Concludes** **WED 3/16**  
Market expects 25-point rate hike. 1:00 p.m. CT
- 5 USDA Export Sales Report** **THUR 3/17**  
Sales, exports to China the key. 7:30 a.m. CT

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