



News this week...

- 2 – Winter wheat crop improves, but remains subpar.
- 3 – Why hog producers aren't expanding their herds.
- 4 – Food for thought... global food shortage concerns rise.

Happy Easter from Pro Farmer! – *Corn futures rallied to new contract highs last week amid fears of global supply shortages and a late attempt to buy back some of the acres USDA's March planting intentions signaled would be lost this year. Old-crop corn futures are nearing resistance at \$8.00 on the continuation chart, while new-crop December corn pushed well above \$7.00. Buying in the wheat and soybean markets was more subdued and nearby contracts in both markets are still well below their late-February peaks. Live cattle futures firmed as higher cash cattle prices fueled corrective buying, while feeders were held back by the strength in corn. Hog futures firmed on corrective buying, though a weakening cash index limited buyer interest. May the joy and hope of the Easter season carry through your daily lives.*

Emergency E15 summer waiver

President Joe Biden's emergency declaration to allow E15 fuel to be sold from June 1 to Sept. 15 is touted as saving consumers money at the pump. But only 2,300 of the 150,000 fuel stations currently are equipped to sell E15, with most of those in the Midwest. Impacts to fuel prices from this action will be both limited and short-term. Summertime sales of E15 will boost demand, but not as much as some believe — or hope. What's really needed is permanent year-round sales of E15 so more stations invest in pumps they can use all 12 months. That was enacted by the Trump administration but overturned in court.

EIA: Summer gas, diesel prices to be highest since 2014

The U.S. Energy Information Administration forecasts summer gasoline prices will average \$3.84, up nearly 27% from last year. It forecasts summer diesel prices will average \$4.57, up 35% from last year. Both would be the highest inflation-adjusted average summer prices since 2014.

Planting delays to continue near-term

Heavy snow fell on the Northern Plains late last week. While temps are forecast to rise, that will lead to flooding in some areas of the region. A wetter bias also is expected to continue for the next two weeks across the Corn Belt and Delta, limiting spring fieldwork, though major delays are unlikely. Some needed but temporary moisture relief also is forecast for hard red winter wheat areas of the Southern Plains this week.

Packers to testify on cattle, beef pricing

Executives of Tyson Foods, Cargill, JBS and National Beef Packing will testify at a House Ag Committee hearing on beef prices and competition in cattle markets. House Ag Chair David Scott (D-Ga.) said, "It's urgent to get the full picture of why prices have gone up for consumers and down for ranchers." He previously announced an April 27 hearing to "determine whether anti-competitive behavior... caused increased beef prices, and unfair difficulties to ranchers and farmers, to the detriment of U.S. food consumers." Consumer prices for beef and veal in March jumped 16% from a year earlier.

U.S. inflation, food prices soar

The U.S. consumer price index (CPI) surged 8.5% from year-ago in March, the largest annual gain since December 1981. Consumer food prices jumped 8.8% from year-ago. The U.S. producer price jumped 11.2% last month, the strongest year-over-year increase since November 2010. Food prices at the wholesale level surged a record 16.2% and were up 2.4% for the month, the largest increase since May, suggesting the CPI will reflect stronger food prices for consumers in the months ahead.

WTO lowers global trade growth

The World Trade Organization (WTO) revised down its forecast for global trade growth this year to 3% from 4.7%, noting the "double whammy" of the pandemic and the Russia/Ukraine war on supply chains. The supply-chain woes are sparking worries of global food shortages, fueling higher commodity prices and even stronger inflation (see *News* page 4).

Currie: 'Volatility trap' in commodities

Disconnect between prices and production threatens to create a "volatility trap" in commodities and discourage investment in the sector, according to Jeff Currie, head of commodities research at Goldman Sachs. "You've got to grow supply and de-bottleneck the system so you can accommodate more demand growth," Currie says. While he contends a commodity supercycle is in the "early innings," investment is needed.

Currie's supercycle thesis is based on three recent trends:

- Redistributive policies, which have resulted in a big demand boom, particularly for commodities.
- Environmental and social governance policies, which contributed to underinvestment in extractive industries.
- Deglobalization, which adds to the cost of commodities.

Currie says underinvestment encompasses energies, metals and even the ag sector. While every commodity boom is different, he contends there are some notable similarities to the 1970s, the last time there was this kind of inflationary fear. "There's one thing that can end a supercycle: Investment," Currie says. "That's how you ended the 70s. It's how you ended the 2000s. And that's how we're going to end this one."

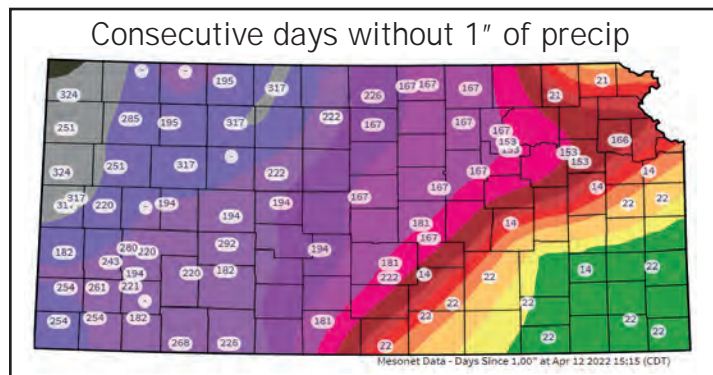
Winter wheat ratings mildly improve

USDA rated 32% of the U.S. winter wheat crop as “good” to “excellent” as of April 10, up two points from the previous week. USDA rated 36% of the crop as “poor” to “very poor,” unchanged from the previous week.

When USDA’s weekly crop condition ratings are plugged into the weighted *Pro Farmer* Crop Condition Index (0 to 500-point scale, with 500 being perfect), the HRW crop improved 5.2 points to 277.8 and the SRW crop rose 3.2 points to 345.3. At those levels, the CCI ratings were still 52.1 points below the five-year average for HRW and 11.2 points below for the SRW crop for the date.

Kansas lacking meaningful precip

The western two-thirds of Kansas has gone virtually six-plus months without an inch or more of rain in a day, with some of the areas approaching a year, according to Kansas State University Mesonet data. That also holds true for less than a half inch of daily precip for the western half of the state.



The situation is much the same in the Oklahoma panhandle, though other areas of the state received recent moderate to heavy rainfall.

China’s winter wheat improves, spring crops uncertain

China’s winter wheat crop has improved after a poor start last fall, with ratings on par with normal levels, the country’s ag ministry said. Chinese officials pledged support for improving winter wheat crop conditions amid heightened food security measures, though the improvement was greater than expected.

But recent Covid outbreaks and stricter lockdowns are leading to reduced crop inputs and fuel being delivered to farmers, while others are stuck in cities where they take on winter jobs. That has resulted in spring planting delays in key growing regions, especially the major grain producing provinces in northeast China.

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Ukraine exports will fall sharply

A Ukrainian ag ministry official says the country’s corn exports could fall to 17 million metric tons (MMT) in 2021-22 due to shipping restrictions caused by Russia’s invasion. That would be down 6.1 MMT (26.4%) from last year — and much of that has already been shipped. USDA slashed its Ukraine corn export forecast by 4.5 MMT, but it still expects the country to ship nearly as much corn as it did in 2020-21.

Ukraine is expected to export 3.4 MMT of sunflower oil, down 1.9 MMT (35.8%) from last year. The country still hopes to export another 2 MMT of wheat by the end of June, though no total volume for 2021-22 was given.

Ukraine’s grain production to plunge

Ukraine’s grain traders union UGA expects the country’s wheat production to plunge around 45% to 18.2 MMT and corn output to fall 38% to 23.1 MMT this year due to fallout from the war with Russia. UGA says Ukraine is currently able to export 600,000 MT of grains and oilseeds per month, though that capacity could increase to 2 MMT. Before the war, Ukraine could export up to 6 MMT per month.

France cuts wheat export forecast

France’s ag ministry lowered its forecast for French 2021-22 wheat exports outside the European Union by 200,000 metric tons (MT) to 9.5 MMT. The reduction partly reversed a 3-MMT upward revision to the ministry’s forecast last month, when it anticipated France would replace some Black Sea trade disrupted by Russia’s invasion of Ukraine. Traders say a wave of demand for French wheat to replace Black Sea supplies disrupted by the war has subsided, partly due to the continuation of Russian exports despite Western sanctions. The ag ministry added, “With shipping costs, we are not necessarily the best placed (wheat) origin on price at the moment.”

France is, however, expected to ship more wheat within the EU, with that forecast increased 300,000 MT from last month due to shifts in trade flows because of the war.

French wheat acreage declines

France’s ag ministry expects the country’s all-wheat planted area to fall 3.9% from year-ago to 4.79 million hectares. Winter wheat acreage at 4.77 million hectares is down 4.0% from last year, while spring wheat acreage at 22,000 hectares would be down 0.2% from last year. The estimates were based on data as of April 1, before a cold snap hit many parts of the country, so some acreage could be lost.

Aussie wheat exports record-large

Australia exported a record 2.8 MMT of wheat in February. Shipments to Asia are expected to remain strong amid ample supplies and reduced shipments from the Black Sea region.

China's soy imports fall sharply

China imported 6.4 MMT of soybeans in March, down 18.3% from last year, as poor crush margins and delays in shipments from Brazil slowed arrivals. Through the first three months of the year, China's soybean imports stood at 20.3 MMT, down 4.2% from the same period last year.

China's imports unexpectedly drop

China's overall imports fell 0.1% from year-ago in March, marking the first decline since August 2020. That was a stark slowdown from the 15.5% gain in imports notched in the first two months of the year, as strict Covid restrictions slowed unloadings at major ports. China's exports rose 14.7% from year-ago, though that was down from a 16.3% rise during the first two months of the year.

China posted a trade surplus of \$47.4 billion in March, more than double the forecast of \$22.4 billion, thanks to the unexpected decline in imports. China's trade surplus with the U.S. rose by 50% from last year to \$32.1 billion.

China's March meat imports plunged

China imported 594,000 MT of meat in March, down 42% from last year's record. Its meat imports during the first three months this year at 1.7 MMT fell 37% from the same period last year.

The preliminary trade data doesn't give specifics of meat imports by category, but the sharp drop was driven by a significant decline in pork arrivals as domestic pork production has surged after the country aggressively rebuilt its herd following the African swine fever outbreak.

China inflation stronger than expected

China's producer price index (PPI) eased to 8.3% versus year-ago in March, down from 8.8% the prior month but above market consensus of 7.9%. While the year-on-year rise in PPI was the slowest since April 2021, this marked the 15th straight month of higher factory-gate prices compared to the previous year.

Chinese consumer prices increased 1.5% last month, up from 0.9% in February and the sharpest rise in three months. Economists expected consumer prices to rise 1.2%. Chinese food prices declined 1.5% from year-ago in March, the least since December 2021 with the drop in pork prices easing slightly.

China's new bank loans accelerate

Chinese banks extended 3.13 trillion yuan (\$492 billion) in new yuan loans in March, up sharply from February. That pushed bank lending in the first quarter to a record 8.34 trillion yuan, up 8.7% from 7.67 trillion yuan in the first quarter of 2021, which was the previous record.

Why hog producers aren't expanding

We asked attendees at a pork management conference in Nashville about their breeding intentions. Several said hog expansion is not happening due in part to (1) hard-to-find labor, (2) hard-to-get construction materials to retrofit operations to deal with California's Prop 12, (3) an inability to get a handle on some diseases and (4) the cost of feed. But other countries like Brazil and Spain are contracting even more and some expect importing countries will step up purchases of U.S. pork.

Regarding the Supreme Court review of Prop 12, most wanted it thrown out on constitutional grounds, but there is a difference about the impact of any such conclusion. More than a few U.S. hog operations have retrofitted to meet Prop 12 guidelines and still think there could be a marketing advantage in some states like California.

U.S. beef production increased

USDA raised its 2022 beef production forecast by 140 million lbs. from March. Beef production is still forecast to slip 0.8% from last year. USDA made no changes to its beef export forecast, which is expected to decline 4.3% from last year's record.

Despite the increase in production and no change to exports, USDA left its 2022 average cash steer projection at \$139.50, which would be up \$17.10 from last year.

Pork production, exports lowered

USDA lowered its 2022 pork production outlook by 240 million lbs. from last month. Pork production is now expected to decline 2.2% from last year. USDA cut its pork export projection by 135 million lbs. due to "tight supplies and strong domestic prices." Pork exports are now expected to drop 6.2% from last year.

USDA raised its 2022 average cash hog price by \$2.00 to \$73.00, which would be up \$5.71 from last year.

Turkey, egg production cut by HPAI

USDA reduced its turkey meat production forecast by 150 million lbs. from last month due to impacts from highly pathogenic avian influenza (HPAI). Turkey meat production is now forecast to decline 1.6% from last year. USDA cut its turkey meat export forecast by 85 million lbs. and now projects shipments to plunge 31.7% from last year.

Egg production was cut by 315 million dozen due to HPAI and is now projected to fall 168 million dozen from last year. USDA lowered egg exports by 53 million dozen and shipments are expected to drop 115 million dozen from last year.

USDA cut broiler meat output by 25 million pounds. Though it didn't mention HPAI, that's presumed to be the reason. Broiler meat output is still expected to rise 0.7% from 2021. The broiler meat export forecast was raised 60 million lbs. and is now expected to be near unchanged from last year.

Food for thought... fear of shortfalls for some

By Washington Policy Analyst Jim Wiesemeyer and Editor Brian Grete

Rising food and energy costs are some of the biggest reasons for surging inflation. Russia's war on Ukraine is behind food security concerns of some outside the United States... and mounting political concerns in this country.

Reasons for food price escalation

Key factors behind surging food prices include supply-chain and logistics woes (extended in part as China copes with surging Covid-19 cases), soaring fuel and fertilizer prices, the war between Russia and Ukraine and collectively the impacts on crop plantings around the world but especially in Ukraine. The majority of our sources say the price and a lack of fuel (gasoline and diesel) supplies is leading to reduced plantings in some countries. The same situation holds true relative to fertilizer and herbicide availability and prices. Russia and Ukraine are key suppliers of essential goods including food, energy and fertilizers, supplies of which are now threatened by the war.

President Joe Biden's top economic adviser said the U.S. will likely face more difficulties as it contends with elevated inflation and further supply-chain challenges stemming from Covid lockdowns in China and the Russian invasion of Ukraine.

Government price, export controls

The war in Ukraine has triggered an alarming global surge in government controls on the export of food. It's critical for policymakers to halt the trend, which is making a global food crisis more likely, according to David Malpass, president of the World Bank Group. Writing in *Barron's*, Malpass says, "In the space of a few weeks, the number of countries slapping on food-export restrictions jumped by 25%, bringing the total number of countries to 35. By the end of March, 53 new policy interventions affecting food trade had been imposed — of which 31 restricted exports, and nine involved curbs on wheat exports, according to the latest data. History shows such restrictions are counterproductive in the most tragic ways. A decade ago, they exacerbated the global food crisis, driving up wheat prices by a whopping 30%."

Wheat in focus: Export and import controls currently encompass about 21% of world wheat trade — well below the 74% share at the peak of the 2008-2011 economic crisis. "But conditions are ripe for a retaliatory cycle in which the scale of restrictions could grow rapidly," Malpass warns.

China's zero-Covid strategy impacts others

China's Covid-related lockdowns in the major cities of Shanghai and Guangzhou have its millions of residents struggling to stretch their limited available food supplies. Beijing's Covid policy could impact economic growth rates in China and around the world. A lack of truckers at China's key ports will extend the supply-chain problems the world has experienced since the pandemic started.

Shanghai is economically important for both China's domestic economy and trade with the rest of the world. Wait times for deliveries of goods have already increased and with Shanghai's significant trade link to East Asia, this could have spillover impacts on regional supply chains, particularly in South Korea, Taiwan and Vietnam.

Food security... and national security

The biggest current concern is a repeat of the Arab Spring in the early 2010s, which saw riots in several countries over economic stagnation, corruption, food price acceleration and supply concerns.

A different situation has arisen in China: Alleged hoarding of world supplies, with officials stockpiling to ensure domestic food security. Again, this will have global implications. Beijing is intent on securing an adequate food supply for its country, but some Western critics are accusing China of contributing to global inflation and regional shortages of foodstuffs. China has recently purchased several million metric tons (MMT) of U.S. corn, and our export sources say another 2 MMT of U.S. sales have yet to be officially announced. China will buy what it needs — and then some.

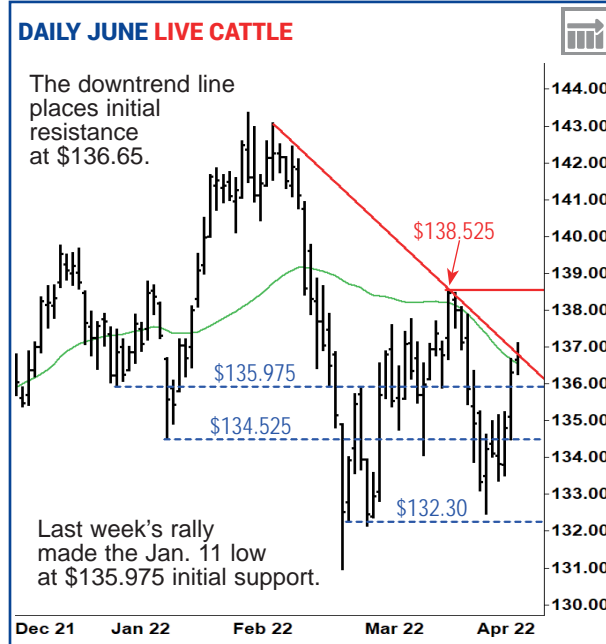
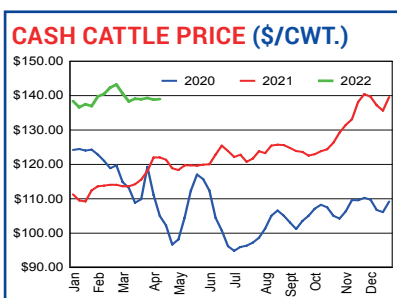
Bottom line: Key policy decisions ahead

- Biden has acknowledged there will be shortages of some food, not in the U.S., but in some countries.
- Geopolitical strains threaten to undo a global economy tied by commerce. "History teaches us that dividing the world economy into rival blocs and turning our backs on the poorest countries leads neither to prosperity nor to peace," WTO Director-General Ngozi Okonjo-Iweala said.
- If the U.S. corn or soybean crops end up much below average, the reduced supplies and additional food price increases will bring pressure from government officials to "do something." That usually results in policy moves (price controls, trade policy changes, etc.) that eventually have proven to be the incorrect approach.

CATTLE - Fundamental Analysis

Cash cattle prices performed atypically in 2020 and 2021, since neither matched the historical pattern of early-year strength, mid-year weakness and a late-year rebound. Early 2022 prices seem more normal, with potential short-term strength likely to be followed by losses into summer. Cattle futures imply modest mid-year losses followed by a major advance into spring 2023, which seemingly anticipates inflationary pressures as well as reduced feedlot supplies in reaction to soaring feed costs. But feeder cattle prices are adjusting lower, while feedlot managers are being encouraged by the bullish forecasts.

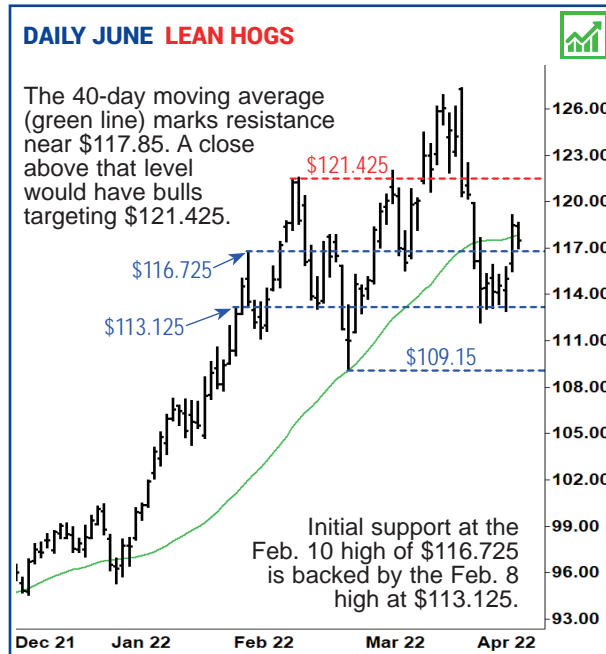
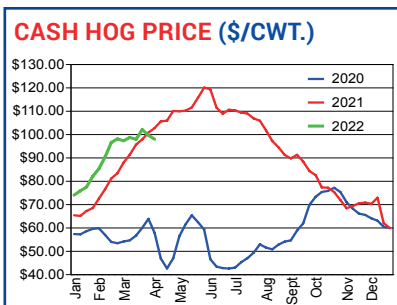
Position Monitor			
Game Plan:	Feds Feeders		
We feel live	II'22	0%	0%
cattle fu-	III'22	0%	0%
tures will	IV'22	0%	0%
	I'23	0%	0%
continue to grind. Hold off on hedges unless the market signals extended, sharp pressure is likely.			



HOGS - Fundamental Analysis

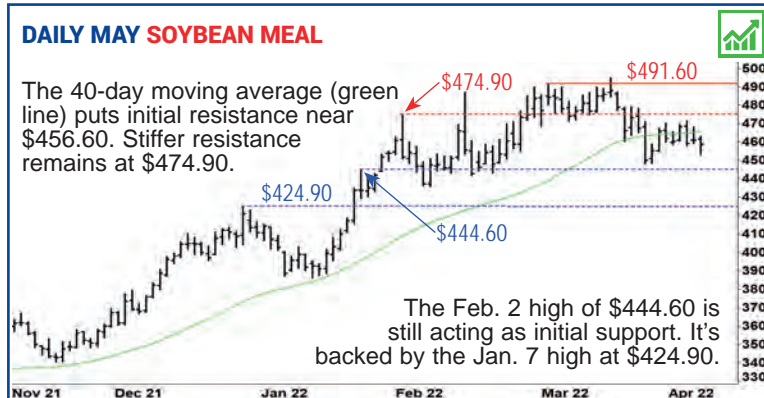
Unlike the sustained advance seen in early 2021, hog prices have more closely followed the historical pattern of flattening in late winter and early spring this year. However, grilling season demand should soon kick in, whereas hog slaughter will surely decline sharply through spring. Weekly kills have proven surprisingly large lately, but the cyclical reduction in hog supplies should exacerbate the seasonal shortage. Expectations of reduced demand have futures indicating a comparatively modest spring rally. We suspect hog futures are underpriced.

Position Monitor			
Game Plan:	Lean Hogs		
Hog	II'22	0%	0%
futures could face	III'22	0%	0%
more near-term	IV'22	0%	0%
pressure. But seasonally,	I'23	0%	0%
the market will rebound to a summertime peak, which argues against hedges at this time.			



FEED

Feed Monitor			
Corn			
II'22	0%	Corn Game Plan: You are hand-to-mouth on corn-for-feed needs. We'll wait on a sharp corrective pullback to extend coverage in the cash market.	
III'22	0%		
IV'22	0%		
I'23	0%		
Meal			
II'22	0%	Meal Game Plan: You are hand-to-mouth on soybean meal coverage. We are targeting the \$450.00 level or lower for May soybean meal futures to extend coverage in the cash market.	
III'22	0%		
IV'22	0%		
I'23	0%		



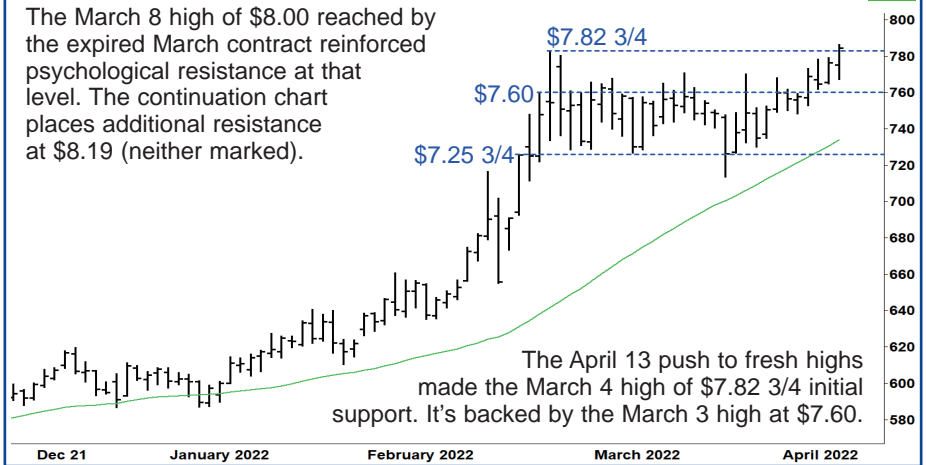
Position Monitor

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

Game Plan: Get current with advised sales. With old-crop down to gambling stocks, we'll hold remaining bushels until the market signals the upside is exhausted. December futures are regularly making new contract highs as traders are factoring in lower March acreage intentions and slow early planting. We'll wait to extend 2022-crop sales until the market signals upside potential is depleted.

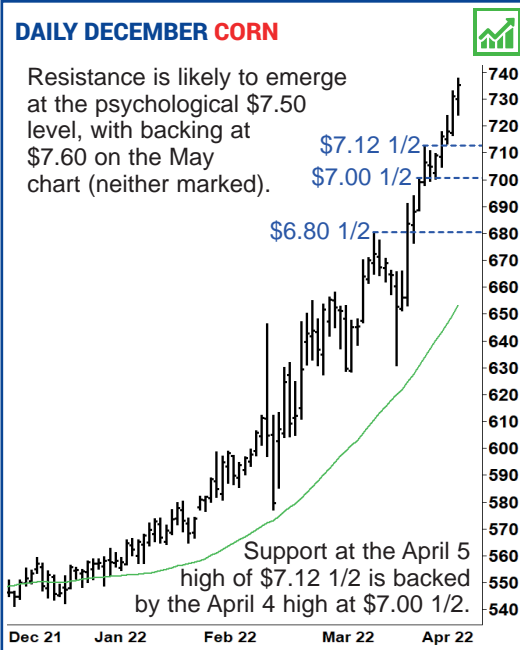
DAILY MAY CORN

The March 8 high of \$8.00 reached by the expired March contract reinforced psychological resistance at that level. The continuation chart places additional resistance at \$8.19 (neither marked).



DAILY DECEMBER CORN

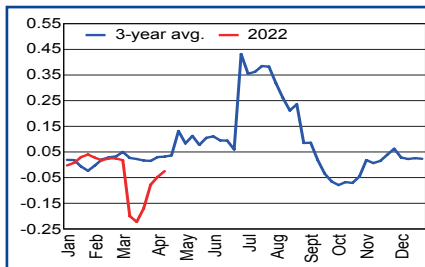
Resistance is likely to emerge at the psychological \$7.50 level, with backing at \$7.60 on the May chart (neither marked).



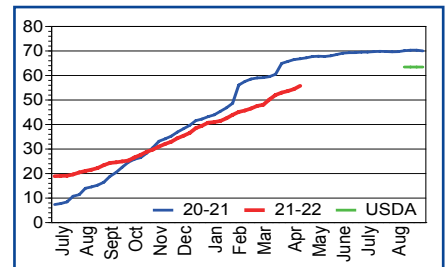
CORN - Fundamental Analysis

Nearby futures found fresh legs for another run higher last week, scoring new highs and nearing \$8.00, thanks in part to broad-based commodity strength. With global inflation trade and war-driven food shortfall stories dominating headlines and funds loading up on the long side of the market, corn prices certainly could see more upside. But May futures enter delivery in about two weeks and lower-priced July contract will assume lead status. Sluggish Midwest planting progress could become a larger factor, illustrated by December futures' recent string of contract highs. Be prepared to make additional sales when the rally shows signs of stalling.

AVERAGE CORN BASIS (MAY)



CORN EXPORT BOOKINGS (MMT)



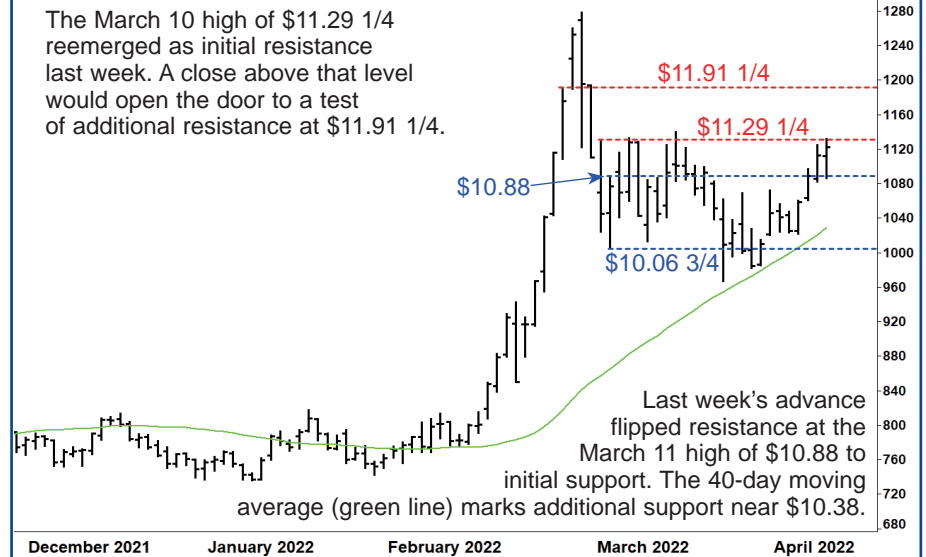
Position Monitor

	'21 crop	'22 crop
Cash-only:	90%	50%
Hedgers (cash sales):	90%	50%
Futures/Options	10%	0%

Game Plan: Get current with advised sales. Be prepared to use price strength to finish old-crop sales and make more new-crop sales. While winter wheat conditions are poor and there are global supply concerns, seasonals are bearish.

DAILY JULY SRW WHEAT

The March 10 high of \$11.29 1/4 reemerged as initial resistance last week. A close above that level would open the door to a test of additional resistance at \$11.91 1/4.



WHEAT - Fundamental Analysis

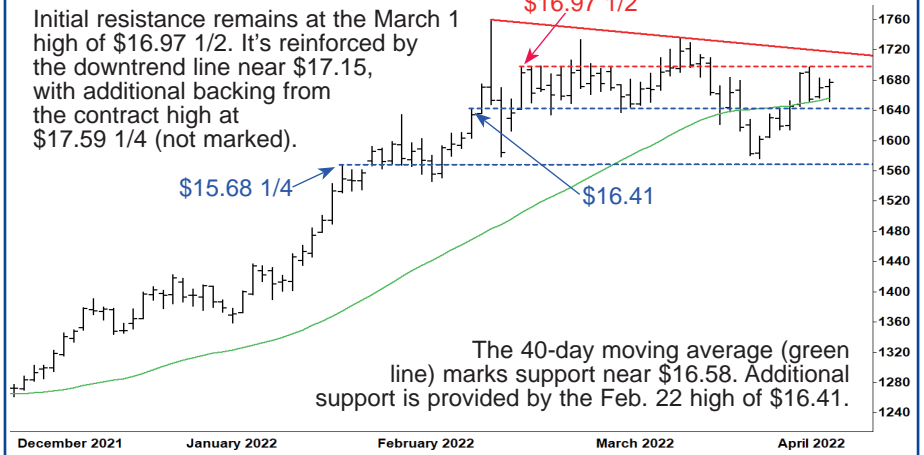
SRW – Stepped-up global export business and scaled-back supplies from top producers like France fueled renewed upside. Further gains can't be ruled out as the war in Ukraine drags on. But USDA's cut to 2021-22 U.S. exports has us keen to lock in new-crop sales on further rallies.

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 new-crop, November futures have returned to the \$15.00 level. Be prepared to extend sales on expected 2022-crop production if the market struggles to find fresh buying around that level.

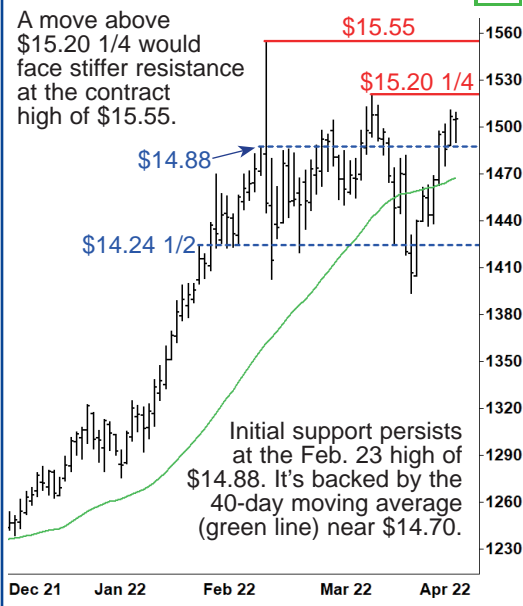
DAILY MAY SOYBEANS



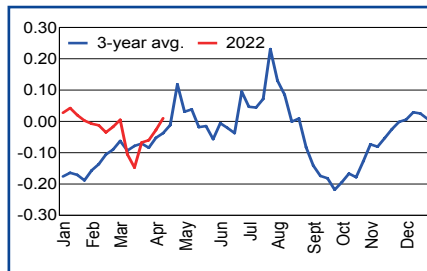
SOYBEANS - Fundamental Analysis

Nearby soybeans' soft performance last week came as traders spread the market against corn. The upside in old-crop futures will be largely tied to Chinese demand for U.S. soybeans. While it's past the normal seasonal window for heavy U.S. old-crop soybean sales and shipments, reduced supplies in Brazil keeps export demand in focus. Midwest weather and planting progress will exert growing influence on prices. The slow start to corn seeding, if it continues, could put a lid on new-crop soybean prices. Nonetheless, November soybeans posted a modest gain last week, and \$15.00-plus prices pose increasingly enticing opportunities to lock in new-crop sales.

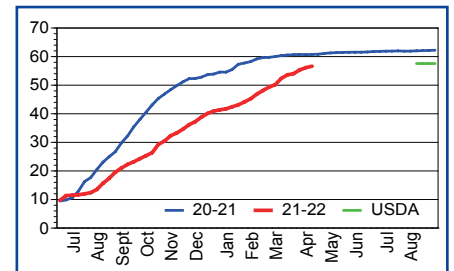
DAILY NOVEMBER SOYBEANS



AVERAGE SOYBEAN BASIS (MAY)



SOYBEAN EXPORT BOOKINGS (MMT)



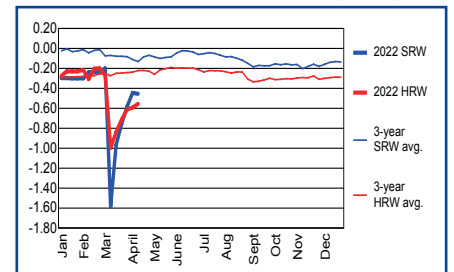
DAILY JULY HRW WHEAT



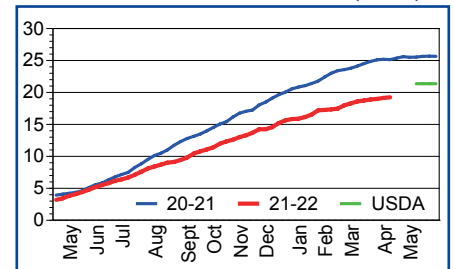
DAILY JULY HRS WHEAT



AVERAGE WHEAT BASIS (MAY)



WHEAT EXPORT BOOKINGS (MMT)



HRW — December HRW futures posted fresh contract highs last week and narrowed its discount to nearby contracts to just a few cents (from over 30¢ a month ago). Despite modest improvement in USDA crop condition ratings and likely seasonal price pressure, the HRW crop's poor prospects could keep the market elevated.

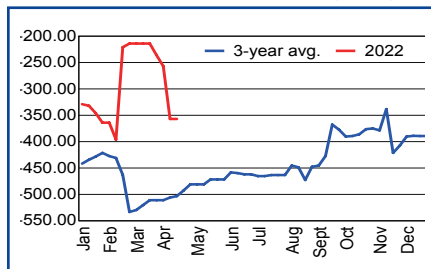
HRS — Similar to the case in the HRW market, December HRS futures posted a string of contract highs last week. While last week's blizzard may bring some moisture relief to the drought-stressed Northern Plains, the market appears unconvinced it will provide much of a boost to the region's acreage or production prospects.

Position Monitor

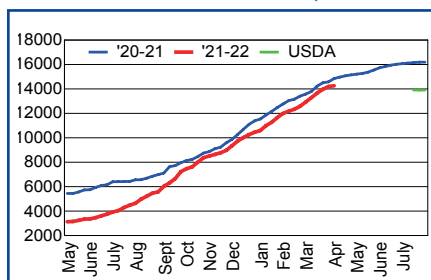
	'21 crop	'22 crop
Cash-only:	90%	50%
Hedgers (cash sales):	100%	50%
Futures/Options	0%	0%

Game Plan: Get current with advised sales. The market remains strong technically. Additional cash sales will wait for some signs of exhaustion.

AVERAGE COTTON BASIS (MAY)



COTTON EXPORT BOOKINGS ('000 BALES)



COTTON - Fundamental Analysis

The U.S. cotton industry relies upon exports to absorb the bulk of domestic production. Exports and prices tend to drop as the U.S. dollar strengthens. Recent strength in cotton prices in the face of the strengthening dollar signals attitudes are still fully bullish.

GENERAL OUTLOOK

Economy: Americans got another dose of hot U.S. inflation last week as the consumer price index for March rose to a 40-year-plus high. Expect problematic price inflation to persist for the remainder of this year and at least into 2023. The ramifications of inflation that is running well above the 2% annual rate the Federal Reserve has targeted as being optimum in the past are many.

The positives for *Pro Farmer* Members

are the likelihood of sustained elevated prices for grains, livestock and land as long as problematic inflation permeates the U.S. economy. The negatives are higher interest rates, higher input costs and a stronger U.S. dollar on the foreign exchange market.

A rising greenback makes U.S. ag products more expensive to foreign buyers, thereby tending to reduce U.S. exports and boost imports.

FROM THE BULLPEN By Market Consultant Dan Vaught

A potential global food shortage, with attention focused on wheat, made headlines last week. The April USDA Supply and Demand Report projects ending 2021-22 stocks at 278.4 million metric tons (MMT), down from 290.7 MMT from last year and a five-year low.

Traders worry the Russia/Ukraine war will slash exports from those countries. Russia is unlikely to have trouble shipping its grain, but may struggle to find buyers, whereas the Russian blockade could greatly limit Ukrainian shipments. Their combined 2021-22 exports are currently seen at 52.0 MMT, just over 25% of the global total for the current crop year. USDA will offer its first projections for 2022-23 next month.

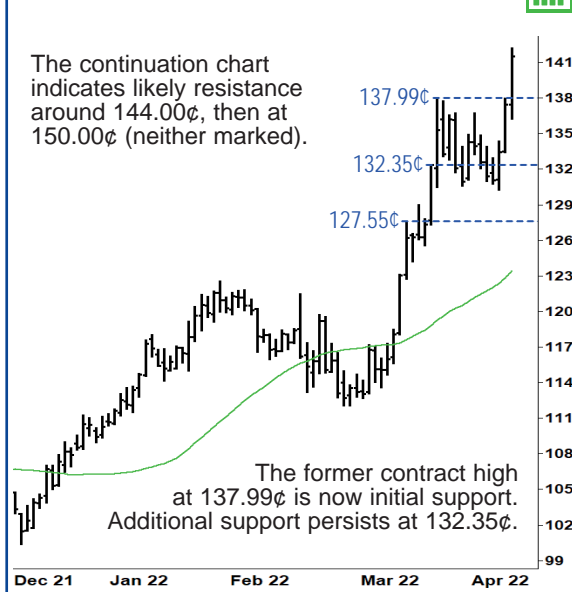
If those supplies are removed from the

global total, world wheat prices could move higher, especially if the recent increase in countries restricting wheat exports spreads.

At first glance, it appears projected global 2021-22 ending stocks would easily cushion against a shortage, but China is hoarding wheat along with stockpiles of several other commodities. China's ending stocks are seen at 136.4 MMT, or almost half of the global total. Few see it releasing any wheat onto the global market.

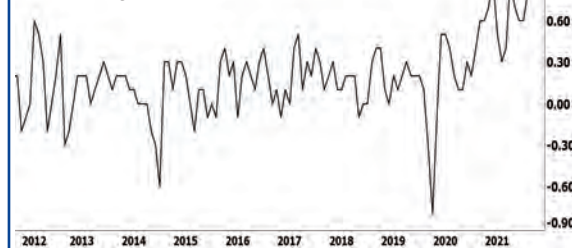
The U.S., EU and India hold sizeable stocks at 18.5 MMT, 11.4 MMT and 21.0 MMT, respectively, while Australia is expecting a huge crop. This may not pre-empt a shortage, but elevated prices look likely to persist for a while.

DAILY JULY COTTON



MONTHLY U.S. CONSUMER PRICE INDEX

The 1.2% monthly reading for March translated to an annualized rate of 8.5% — the highest since December 1981.



WATCH LIST

- 1 USDA Crop Progress Report** **MON 4/18**
Corn planting delays likely. 3:00 p.m. CT
- 2 Fed Beige Book** **WED 4/20**
Economic conditions in 12 districts. 2:00 p.m. CT
- 3 USDA Export Sales Report** **THUR 4/21**
Soybean, corn sales to China key. 7:30 a.m. CT
- 4 USDA Cattle on Feed Report** **FRI 4/22**
Placements will be the key. 2:00 p.m. CT
- 5 USDA Cold Storage Report** **FRI 4/22**
Meat stocks at the end of March. 2:00 p.m. CT

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