Farm Journal
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News this week...

Corn posts new highs – *Old- and new-crop corn futures posted contract highs last week amid another large daily export sales announcement to China (the fourth in excess of 1 million metric tons in April) and the slowest planting pace since 2013. China also continues to buy U.S. old-crop soybeans, which is keeping the market supported, despite talk that corn planting delays could switch some additional acres to soybeans. Poor HRW crop condition ratings and spring wheat planting delays offset a surge to a 20-year high in the U.S. dollar index, which adds concerns with already-sluggish U.S. wheat export demand. The bearish April 22 Cattle on Feed Report (see* News *page 3) took the wind out of bulls' sails in cattle futures last week. Hog futures also faced heavy selling as traders actively narrowed premiums to the cash index.*

More rains, but potential pattern shift

Frequent rains are expected across the Corn Belt, along with areas of the Delta and Southeast through May 8, further delaying planting progress, which is already at a nine-year low for corn (see *News page 2*). Temps are expected to be cooler than normal in central and northern areas.

World Weather Inc. expects La Niña to peak by May 10, which would produce warmer, drier weather that should continue through summer, especially in the western Corn Belt.

Rail gridlock bogging down ag sector

Delayed trains and scarce railcar availability are impeding crop shipments this spring, causing grain-storage facilities to fill up, backing up fertilizer shipments and temporarily shutting down production at ethanol plants. Railroad operators said they are working to fix the problems but struggling to find enough workers. Ag companies are looking for other ways to move farm commodities across the country, leading to higher transportation costs that will ultimately push up food prices for consumers. We highlight the significant rail concerns for ag on *News page 4*.

U.S. economy contracts in Q1

U.S. gross domestic product contracted at a 1.4% annualized rate in the first quarter, down sharply from 6.9% growth in the fourth quarter of 2021. The unexpected contraction in economic activity stemmed from a widening trade deficit, which increased 17.8% to a record $125.3 billion in March, and sparked increased odds of a recession. Whether there's a recession could be decided by consumer spending, which so far, is holding up well (see "General Outlook" on *Analysis page 4*).

Inflation hits fresh 40-year high

The Personal Consumption Expenditures (PCE) price index increased 6.6% annually in March. The core PCE (minus food and energy prices) increased 5.2% from last year but declined 0.1% versus February. Amid the surging inflation, the Fed is expected to raise interest rates 50 basis points this week, despite the first-quarter economic weakness.

Biden wants $500 million in farmer aid

President Joe Biden proposed $500 million in farmer aid to encourage increased production of some crops amid global food shortages. This is part of a $33 billion Ukraine aid request.

The proposal includes dramatic boosts in commodity loan rates for select crops, including soybeans ($8.68 vs. current $6.20) and wheat ($5.52 vs. $3.38). Loan rates would also be increased 21% for both rice and pulses. It would also pay a $10-per-acre crop insurance subsidy to farmers who double-crop soybeans and wheat.

The proposal would need congressional approval.

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U.S. to provide $670 million in food aid

The U.S. is providing $670 million in food assistance to countries in need due to the war in Ukraine.

- The Bill Emerson Humanitarian Trust will provide $282 million to bolster existing emergency food operations in Ethiopia, Kenya, Somalia, Sudan, South Sudan and Yemen.
- USDA will provide $388 million via the Commodity Credit Corporation to cover ocean freight transportation, inland transport shipping and other associated costs.

Regan offers positive news for biofuels

EPA has until June 3 to finalize renewable volume obligations (RVOs) for 2020, 2021 and 2022, according to a consent decree approved by the U.S. District Court for the District of Columbia. The decree stated the deadline could be extended if the parties involved can show "good cause" for such a delay. But EPA reportedly will send its final RVOs for those three years to the Office of Management and Budget by early this week, putting it on course to meet the June 3 deadline.

EPA Administrator Michael Regan told us on *AgriTalk*, "2022 will be one of the most aggressive RVO years" and "biofuels will be a part of the solution for climate change and lower prices at the pump" in 2023 and beyond. He also indicated EPA plans to reject pending small refinery exemptions and noted it is "not a guarantee" refiners will be offered any compliance relief alternatives.

Corn planting pace at nine-year low

USDA reported only 7% of the U.S. corn crop was planted as of April 24, eight points behind the five-year average and the slowest pace for that date since 2013. USDA said 2% of the corn crop had emerged, one point behind the average pace.

Likelihood of a below-trend yield increases

The delayed corn planting raises a cautionary flag of higher odds for below-trend yields. Since 1986, there have been seven other years — 1993, 1995, 1999, 2008, 2011, 2013 and 2018 — in which the corn planting pace was only single digits completed as of April 24. In five of those years, the national yield finished below trendline. Analysis of yields in those years versus trendline and the percent of the previous average would suggest a drop of around 8 bu. from this year's trend of 181 bu. per acre. A yield of 173 bu. per acre would result in a "short crop," especially if acreage falls as much as USDA's March intentions indicated. But all hope for a strong yield is not lost, as 2018 produced an above-trendline yield after a slow start, and 2008 was right at trendline.

Soybean planting also lagging

USDA said 3% of the U.S. soybean crop was planted as of April 24, two points behind the five-year average. As expected, little to no progress was reported across the Corn Belt.

Spring wheat planting remains behind

U.S. farmers had 13% of their spring wheat crop seeded, two points behind average. Top producer North Dakota had planted only 4% of its crop, four points behind normal for the date. USDA reported no planting progress in Minnesota.

Winter wheat conditions worsen

USDA rated 27% of the U.S. winter wheat "good" to "excellent" as of April 24, the lowest for this time of year since 1989. USDA rated 39% of the winter wheat as "very poor" or "poor."

On the weighted *Pro Farmer* Crop Condition Index (0 to 500-point scale, with 500 being perfect), the HRW crop plunged 10.8 points to 260.7 — 69.5 point below the five-year average. The SRW rating inched 0.4 point higher to 350.6, though that was still 9.1 points below average.

U.S. cotton areas extremely dry

U.S. cotton planting was one point ahead of average, but much of the crop has been planted into extremely dry soils. Lubbock, Texas, was on course for the driest April and least precip for the January through April period on record.

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Key Brazilian safrinha corn areas dry

Brazil's safrinha corn crop has favorable conditions in far northern and southern production areas. But dryness concerns are mounting in central Brazil. April rainfall in Mato Grosso, Brazil's top safrinha corn producer, was on track to be around 70% below the 10-year average and the lowest total for the month on record, according to weather service EarthDaily Agro. Smaller safrinha corn production areas of Goias, Minas Gerais, Sao Paulo and northern Mato Grosso do Sul also had extreme April rainfall shortages.

Due to the dryness concerns in central Brazil, along with recent hail damage across western Parana and southern Mato Grosso do Sul, Crop Consultant Dr. Michael Cordonnier kept his Brazilian corn crop estimate at a cautious 112 million metric tons (MMT). In the April Supply & Demand Report, USDA raised its Brazilian corn crop forecast by 2 MMT to 116 MMT.

Argentine soybean crop peg raised

Cordonnier raised his Argentine soybean crop estimate by 1 MMT to 40 MMT, noting yields are rising as more of the later-maturing acres are harvested. Argentine corn yields are also rising as harvest moved into the later-maturing acres, but Cordonnier maintained his production estimate of 49 MMT.

Canada to plant more wheat, less canola

Canadian farmers are expected to plant 25.0 million acres of wheat in 2022, up 1.6 million acres (7.2%), according to Statistics Canada. Mike Jubinville of MarketsFarm says, "The gain in wheat acres is more than I anticipated. To see some acres shift to wheat perhaps makes sense, especially in the drylands in Saskatchewan and out west... it has a lower production cost and slightly less risk."

Canadian canola acres are expected to total 20.9 million acres, down 1.6 million acres (7.0%) from last year. Jubinville says, "This is a bit shocking to me. With demand for canola still very strong, and old-crop carryout likely to be drawn down to dust, without an exceptional yield in 2022, Canadian canola supply will remain quite constrained for 2022-23 and could further tighten global supplies of edible oils at a time of already reduced availability."

'Very positive' outlook for Russia's crops

Russia's winter grain crops remain in favorable condition and soil moisture supplies are ample for spring-planted crops, according to the country's state-run weather center. While temperatures are expected to be above-average during summer, soil moisture supplies should be ample to avoid any major crop issues. Some crop forecasters, including SovEcon, expect a record Russian wheat crop this year.

USDA again raises food price forecast

The U.S. consumer price index (CPI) for all food jumped 8.8% in March versus last year. The food-away-from-home (restaurant) CPI was 6.9% higher, while food at home (grocery store) prices were 10% higher than last year.

USDA now forecasts all food prices will rise 5% to 6% (4.5% to 5.5% in March), with grocery store prices expected to increase 5% to 6% (4.5% to 5.5% in March). Its forecast for restaurant prices remained at 5.5% to 6.5%. Inflation for all food and grocery store prices would both be the highest since jumping 5.5% and 6.5%, respectively, in 2008.

Given that food price inflation continues to climb, look for USDA to keep increasing its forecasts.

Indonesia halts palm oil exports

As of April 28, Indonesia banned exports of palm oil, including crude and refined supplies, along with refined, bleached and deodorized palm olein, in an attempt to tame domestic prices. The export ban will remove an estimated 1.5 MMT of palm oil products per month from already-tight global edible oil supplies. But industry sources expect the ban to last no more than a month.

Global food, fuel prices to rise sharply

The World Bank expects commodity prices to remain elevated for years to come, as the war in Ukraine alters how commodities are traded, produced and consumed around the world. In its latest Commodity Markets Outlook report, the multilateral bank said energy prices will soar 50.5% this year, after nearly doubling in 2021. Food prices are projected to jump 22.9% after rising 31% last year. Increases in energy prices over the past two years have been the most significant since the early 1970s. The price increases for food commodities such as wheat and cooking oil — of which Ukraine and Russia are large producers — have been the largest since 2008. It says commodity prices will only retreat slightly and stay well above the most recent five-year average into 2024, raising the risk of global stagflation.

Goldman warns of 'slowbalization'

Goldman Sachs economists analyzed U.S. imports, production, import prices and producer prices for more than 300 manufacturing industries in a bid to estimate the relationship between American inflation and goods imports from China and other low-wage countries. In either the case of a "blanket deglobalization" or a widescale reshoring of production back to the U.S. from China, Goldman predicted a boost to annual inflation, excluding energy and food costs, of 0.4 percentage points. "Slowbalization" is "one more reason to expect somewhat higher inflation and thus higher nominal interest rates than before the pandemic," they warned.

March placements top expectations

USDA's Cattle on Feed Report estimated the April 1 inventory of cattle in large feedlots (1,000-plus head) totaled 12.1 million head, up 208,000 head (1.7%) from year-ago and 160,000 head more than traders anticipated. The bigger-than-expected increase was driven by placements, which declined only 0.4% from last year, whereas traders expected a 7.8% drop. March marketings were just fractionally less than anticipated at 2% under last year's pace.

Cattle on Feed Report	USDA actual	Average estimate
	(% of year-ago)	
On Feed April 1	101.7	100.4
Placed in March	99.6	92.2
Mkted in March	98.0	98.2

About 4.5 million head (37.4%) of the April 1 feedlot inventory had been on feed for 120-plus days, with another 2.6 million head (21.7%) on feed more than 150 days. Those figures are down from year-ago levels but still elevated.

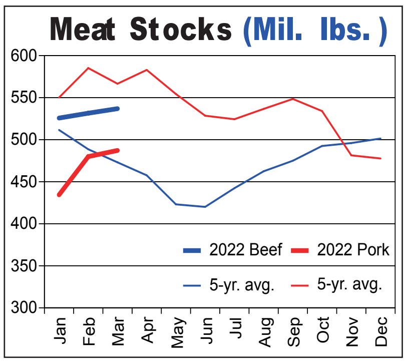
Nebraska placed 30,000 head more cattle than year-ago during March, while placements were unchanged in Kansas and Colorado. Placements dropped 30,000 head in Texas and 8,000 head in "other states."

As of April 1, there were 7.54 million head of steers on feed, up 133,000 head (1.8%) from last year and 4.57 million heifers in feedlots, up 75,000 head (1.7%) versus year-ago.

Record March frozen beef stocks

USDA's Cold Storage Report showed total red meat and poultry supplies in storage at the end of March at 2.1 billion lbs., up 4.2% from last year but 8.0% under the five-year average.

Beef stocks totaled a March record 536.9 million lbs., up 5.4 million lbs. (1.0%) from February and 53.9 million lbs. (11.2%) above last year. Over the previous five years, beef stocks declined an average of 15.5 million lbs. during the month. Beef inventories were 63.8 million lbs. (13.5%) above the five-year average for March. While beef inventories suggest demand isn't keeping pace, Daily Livestock Report says some of it may be tied to storing extra supplies ahead of summer grilling demand as a means of potentially combating rising inflation.



Pork stocks at 487.2 million lbs. increased 7.3 million lbs. (1.5%) during March and were 36.1 million lbs. (8.0%) above year-ago. Over the previous five years, pork stocks declined an average of 18.6 million lbs. during March. Pork inventories were still 79.4 million lbs. (14.0%) under the five-year average.

Total poultry stocks increased 10.0 million lbs. (0.9%) during March to 1.087 billion pounds. Poultry meat inventories declined 5.8 million lbs. (0.5%) from last year.

‘Real concern’ for U.S. rail transportation

By Editor Brian Grete and Washington Policy Analyst Jim Wiesemeyer

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Congestion and service issues have become a “real problem” for industries across the country that need rail to move their goods. Transportation Secretary Pete Buttigieg addressed the Safety Transportation Board (STB) saying: “The supply chain crisis has left us moving more goods with a smaller workforce, leading to higher costs and longer delays.” STB Chairman Martin Oberman said this was the first time in more than 20 years a transportation secretary addressed the board. “The fact that the secretary is here indicates the seriousness of the problems that have instigated this hearing,” Oberman said.

‘Bare bones’ workforce the crux of the problem

Class I railroads have placed a priority “on lowering their operating ratios and satisfying their shareholders even at the cost of their customers,” said Oberman. “Part of that strategy has involved cutting their work force to the bare bones in order to reduce costs.”

He noted, “Over the past six years, the Class I railroads collectively have reduced their work force by 29% — that is about 45,000 employees cut from the payrolls. In my view, all of this has directly contributed to where we are today — rail users experiencing serious deteriorations in rail service because, on too many parts of their networks, the railroads simply do not have a sufficient number of employees.”

Rail executives blame the problems on the pandemic.

Don’t ‘de-prioritize’ fertilizer, ag commodities

Traffic troubles on railways particularly have contributed to supply-chain problems for the agriculture sector. Fertilizer transportation is a major concern right now.

Deputy Secretary Jewel Bronaugh says USDA understands traffic must be prioritized, but “fertilizer and ag commodities are not the commodities to de-prioritize, especially as we enter the growing season.” She noted, “Elevators are full and cannot purchase grain from farmers, and livestock operators are unable to get the grain they need for feed. We’ve even heard that some producers are preparing to depopulate their animals” due to feed availibility shortages.

Railways must face consequences for lack of service

Even if rail cars are available, Bronaugh said the ag industry is facing explosive freight rates, “representing a 50% to 100% increase in costs.” She said, “We cannot continue a system where the railroads face no consequences for providing unpredictable service.”

NGFA offers some potential actions

The National Grain and Feed Association (NGFA) estimates the combined costs to the grain industry due to lost revenues and additional freight expenses in the first quarter of 2022 to be over $100 million. “When NGFA members cannot load a train because a crew is out with Covid, they will be charged demurrage by the rail line and if they cannot unload a train due to Covid, they will pay demurrage and face the risk of penalties or loss of contracts with their own customer,” NGFA President and CEO Mike Seyfert said. Besides demurrage solutions for rail customers, NGFA recommended several potential actions, including:

- Finalizing a rulemaking on reciprocal switching rules, which would allow shippers served by a single railroad to request bids from a nearby competing railroad.
- Requiring additional data reporting, such as first-mile, last-mile rail service reporting.
- Developing guidance on expectations for rail carriers in meeting their statutory obligation to provide service.
- Requiring all the Class I railroads to develop annual rail service assurance plans.

Poor rail service hurting biofuels industry, too

In written testimony, Renewable Fuels Association President and CEO Geoff Cooper noted, “The majority of the ethanol produced in the U.S. (over 70%) is transported via railway to its final destination across the lower 48 states as well as Canada and Mexico. The rail traffic congestion issue and subsequent decision to meter traffic is leading to major disruptions for our members and is impacting their ability to maintain production and deliver vitally important fuel ethanol to the market.” Cooper urged STB to “take all actions necessary” to ensure “the lowest cost liquid fuel alternative is available to U.S. consumers across this country at a time when it is needed most.”

Changes are coming, though how quickly is key

Buttigieg says the rail situation is a priority for the Biden administration, suggesting railroads consider the need for more employees and the impact of increasing service without expanding the workforce. The House Transportation and Infrastructure Committee is weighing further authority for STB as part of reauthorization legislation. It recently proposed a rule that would allow STB to bring immediate relief for shippers facing poor rail service.

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Farm Journal CEO, Andrew Weber

CATTLE - Fundamental Analysis

March feedlot placements being virtually unchanged from year-ago levels when a nearly 8% drop was expected sent cattle futures tumbling and put bulls on the defensive. The fact surging feed costs did not cause a sharp reduction in feedlot placements, since feeder cattle prices adjusted downward, seemed to persuade cattle market bulls they were overly optimistic about the intermediate-term outlook. The resulting selling sent summer futures to larger discounts and took premium out of fall/winter contracts. Summer cattle supplies look set to rise, but grilling season demand may limit downside risk.

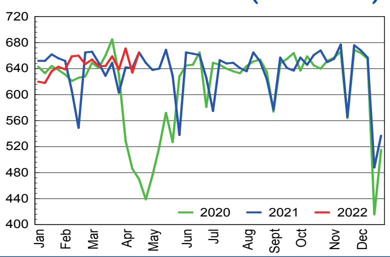
DAILY JUNE LIVE CATTLE

Position Monitor

Game Plan: Live cattle futures are signaling a short-term top. The cash market could also soften near-term. But downside risk should be limited.

	Feds	Feeders
II'22	0%	0%
III'22	0%	0%
IV'22	0%	0%
I'23	0%	0%

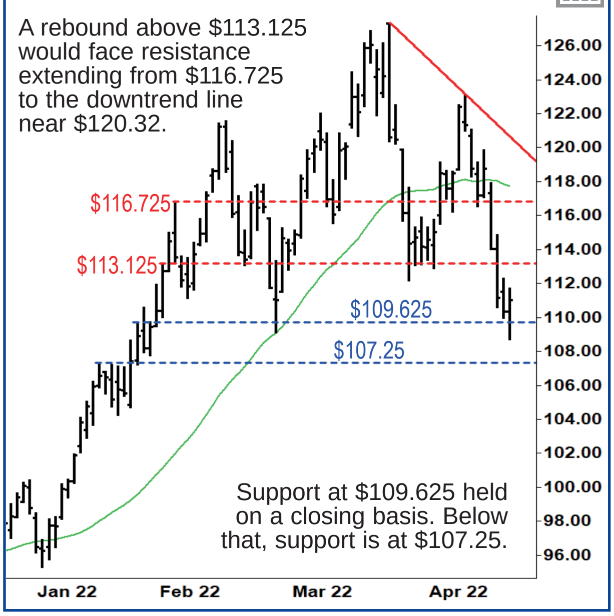
WEEKLY CATTLE KILL ('000 HEAD)



HOGS - Fundamental Analysis

Weak pork demand has seemingly become a big issue for the hog/pork complex. Elevated retail prices have clearly checked consumer demand in recent months and now seem to be stunting grilling season demand as well. And China's full recovery from its African swine fever outbreak has taken the top off export prospects. The seasonal combination of dropping hog supplies and spring grilling demand could still give hog prices a big boost into early summer, but the size of the cash rally is now in question. The 10-year average now suggests a summer high around $115.00, but futures reflect trader doubts.

DAILY JUNE LEAN HOGS

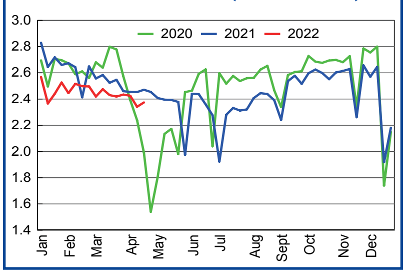


Position Monitor

Game Plan: Hog futures could face more near-term price pressure if they break down technically. But seasonally, prices should strengthen into early summer.

	Lean Hogs
II'22	0%
III'22	0%
IV'22	0%
I'23	0%

WEEKLY HOG KILL (MIL. HEAD)



FEED

Feed Monitor

Corn	
II'22	0%
III'22	0%
IV'22	0%
I'23	0%

Meal	
II'22	67%
III'22	0%
IV'22	0%
I'23	0%

Corn Game Plan: You are hand-to-mouth on corn-for-feed needs. We'll wait on a sharp pullback to extend coverage.

Meal Game Plan: On April 26, we advised covering all soybean meal needs in the cash market through May after futures dropped below our $450.000 target. Be prepared to extend coverage on additional weakness.

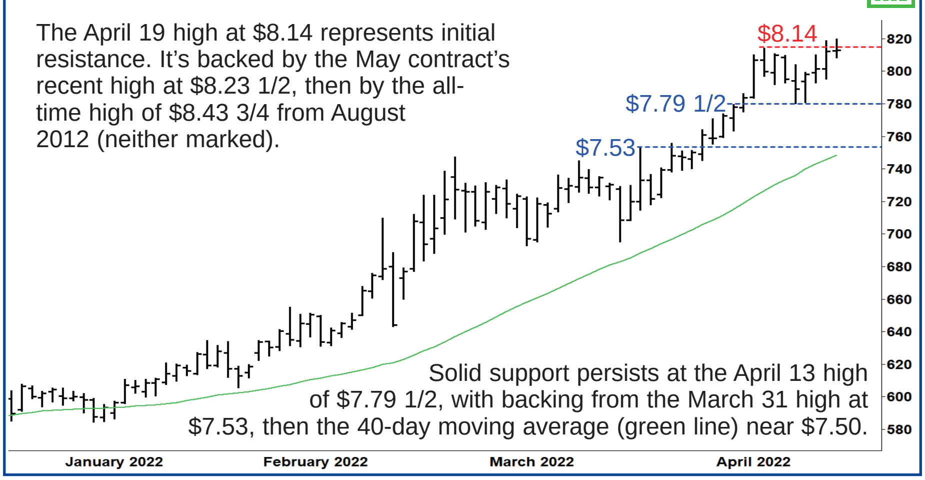
DAILY JULY SOYBEAN MEAL

Position Monitor

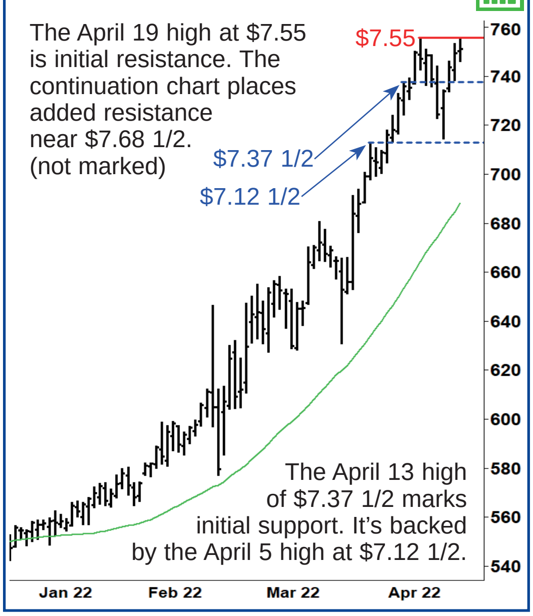
	'21 crop	'22 crop
Cash-only:	90%	40%
Hedgers (cash sales):	90%	40%
Futures/Options	0%	0%

Game Plan: Get current with all advised sales. With old-crop down to gambling stocks, we'll hold remaining bushels until the market signals the upside is exhausted. We'll also wait to extend 2022-crop sales until the market signals the upside is becoming exhausted. Nothing fundamentally or technically suggests the market has put in a top yet. But in times of historic prices, volatility could turn extreme.

DAILY JULY CORN



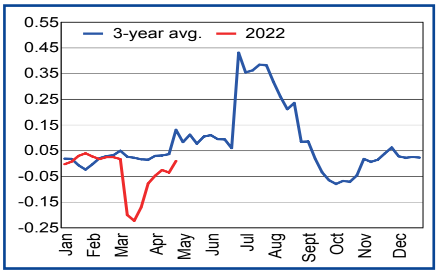
DAILY DECEMBER CORN



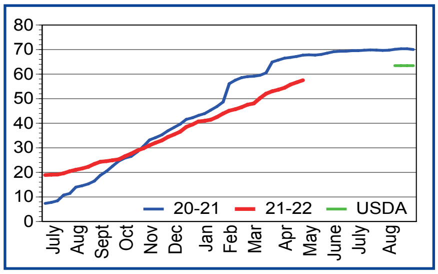
CORN - Fundamental Analysis

Nearby futures recorded the first weekly close above $8.00 since August 2012, underscoring bullish demand fundamentals that put the all-time high within reach. China's scaled-up purchases of U.S. corn in April could propel further gains if buying continues. Delayed U.S. plantings are a building concern (see <u>News</u> *page 2*). Weather and planting progress in the first half of May will be critical price drivers that could propel December futures above recent contract highs. Potential headwinds include dollar strength and the likelihood $8.00-plus prices will eventually slow demand. But for now, prices look to stay elevated for at least the near-term.

AVERAGE CORN BASIS (JULY)



CORN EXPORT BOOKINGS (MMT)

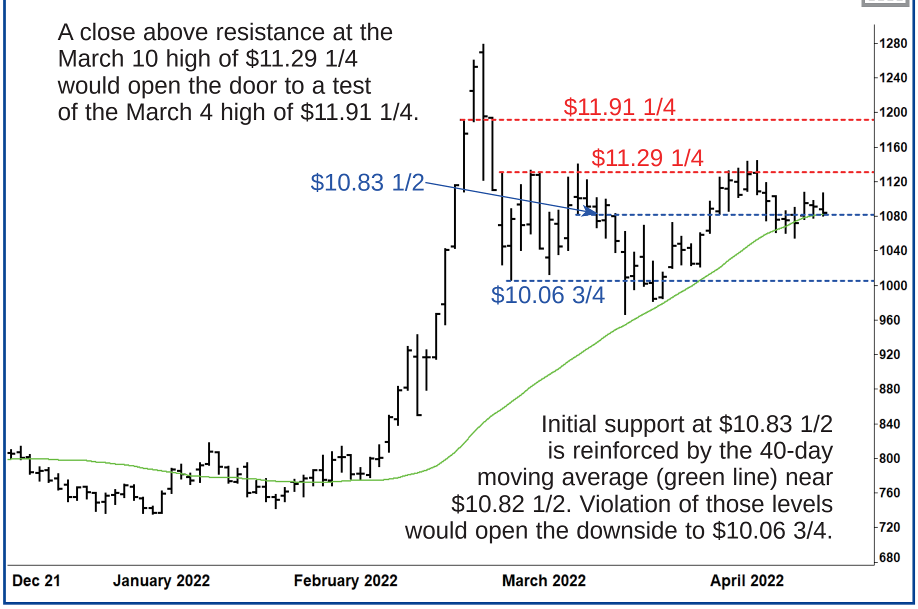


Position Monitor

	'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 the market is well supported, seasonals favor bears through the winter wheat harvest.

DAILY JULY SRW WHEAT



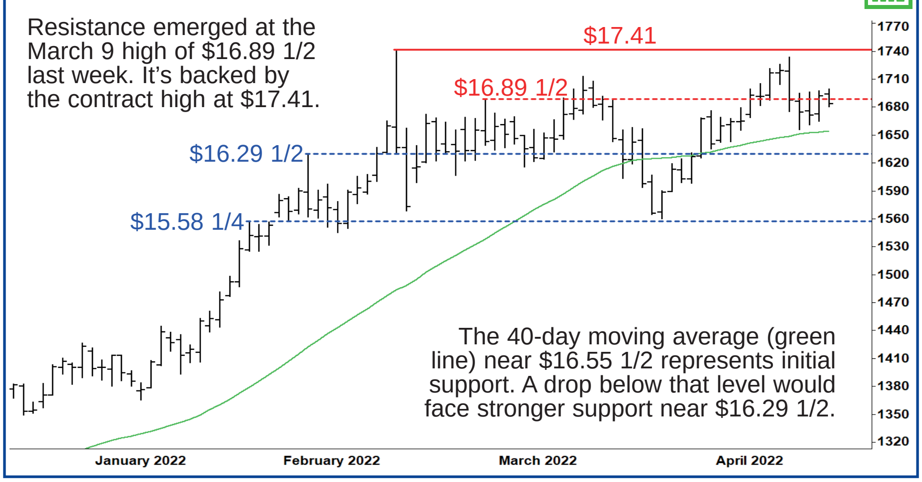
WHEAT - Fundamental Analysis

SRW — Futures remain supported by global supply concerns tied to the war in Ukraine. But the upside likely will be limited by poor exports, the strong dollar and decent SRW crop conditions. Seasonals are bearish with harvest looming (see "From the Bullpen" on <u>Analysis</u> *page 4*).

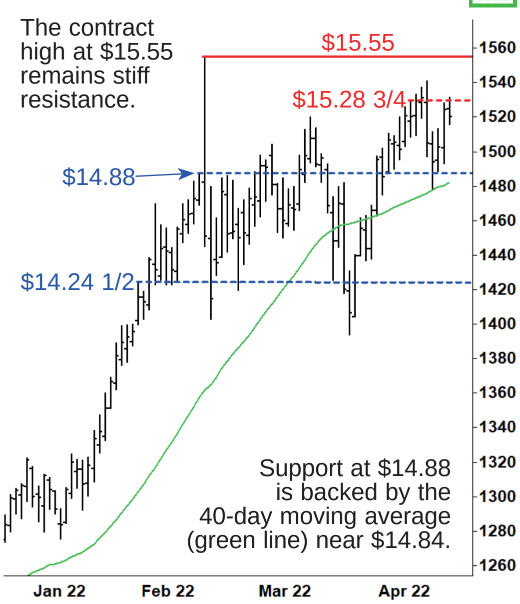
Position Monitor	'21 crop	'22 crop
Cash-only:	85%	40%
Hedgers (cash sales):	95%	40%
Futures/Options	0%	0%

Game Plan: Get current with advised old- and new-crop 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 are trading above $15.00. Be prepared to extend sales on expected 2022-crop production if the market struggles to find sustained buying above that level.

DAILY JULY SOYBEANS



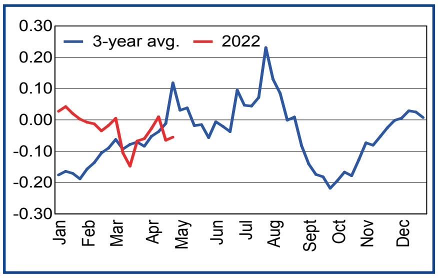
DAILY NOVEMBER SOYBEANS



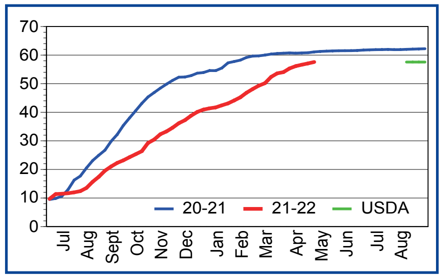
SOYBEANS - Fundamental Analysis

Total old-crop export commitments (accumulated exports + outstanding sales) are already 4% above USDA's forecast. And China continues to buy old-crop U.S. soybeans as Brazil's short crop is keeping the export window open longer than normal. That's price-supportive. New-crop November futures are also supported, despite talk corn planting delays could move more acres to soybeans. Soyoil hit record highs but Indonesia's palm oil export ban looks to be short-lived. The market is heading into a traditionally weak seasonal period, so be prepared to use price strength to advance sales, though circumstances are far from "normal" this year.

AVERAGE SOYBEAN BASIS (JULY)



SOYBEAN EXPORT BOOKINGS (MMT)



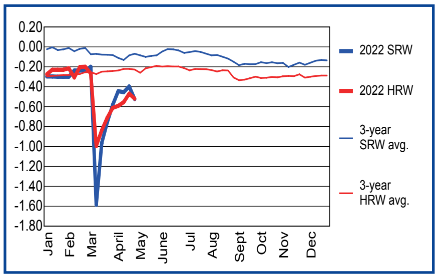
DAILY JULY HRW WHEAT

HRW — Consecutive down weeks for July futures suggest poor HRW conditions and higher acreage abandonment are factored in, even with USDA's late-April ratings sinking to a 34-year low. Ukraine disruptions should limit downside, likely keeping December futures from falling too far from recent contract highs.

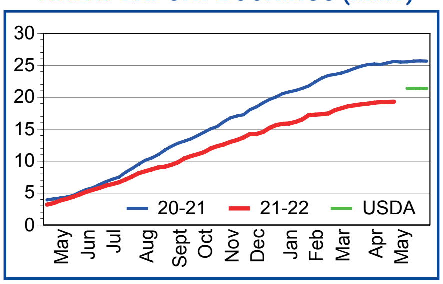
DAILY JULY HRS WHEAT

HRS — Fresh contract highs in July, September and December futures convey growing concerns over delayed spring wheat planting in the Northern Plains. Early-May forecasts call for wet weather to continue, worsening flooding and further delaying fieldwork. Weather and USDA progress numbers will drive HRS prices over the near-term.

AVERAGE WHEAT BASIS (JULY)



WHEAT EXPORT BOOKINGS (MMT)



Position Monitor

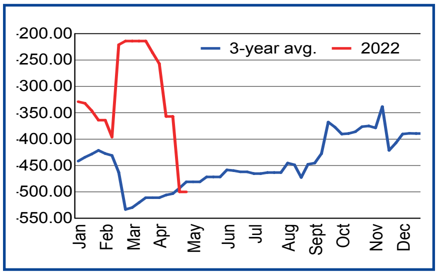
	'21 crop	'22 crop
Cash-only:	90%	50%
Hedgers (cash sales):	100%	50%
Futures/Options	0%	0%

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

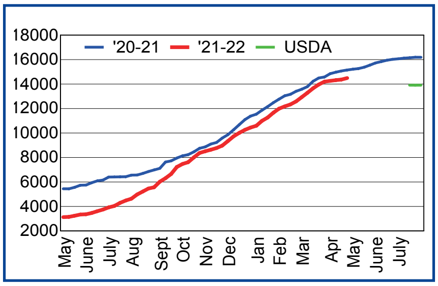
COTTON - Fundamental Analysis

Talk that India may embargo its cotton exports in the coming weeks triggered a fresh wave of buying in futures, pushing the front-month contract to their highest level since mid-2021. Continued drought in the Southwest pushed new-crop futures to new highs.

AVERAGE COTTON BASIS (JULY)



COTTON EXPORT BOOKINGS ('000 BALES)



DAILY JULY COTTON

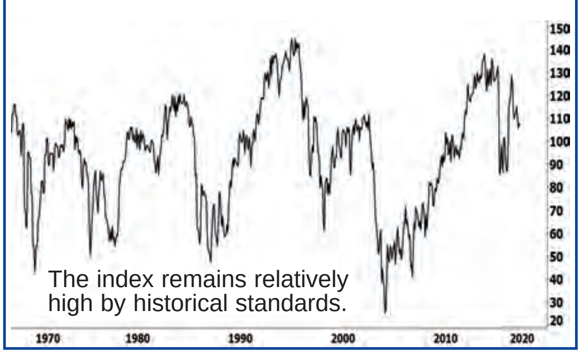
GENERAL OUTLOOK

Consumers: Market commentary has focused on consumers lately, particularly on their potential response to surging costs of housing, food and fuel. The 8.5% leap in the March consumer price index added to stagflation fears.

One major key to the outlook is consumers' reaction to inflation. "Part of the inflation story is how the consumers handle it," said Chris Gaffney, president of world markets at TIAA Bank. "So far, it looks like consumers are shrugging off the price increases, but everybody is complaining about it."

The latest Consumer Confidence reading from the Conference Board implies Gaffney is correct. The April reading at 107.3 slipped from the revised March figure of 107.6, but is much higher than in past recessions. If consumer sentiment plunges, a recession would become more likely.

MONTHLY CONSUMER CONFIDENCE INDEX



FROM THE BULLPEN By Market Analyst Bruce Blythe

During May, bears have historically held an upper hand over bulls in soybeans and SRW wheat futures. In corn, it's more of a split decision.

Since 1980, July soybeans declined during May 25 times, while rising the other 17 years. The average decline in all of those years was 3 1/4¢. Over the past 10 years, July soybeans ended lower in May seven times. Last year, July 2021 soybeans dropped 3 3/4¢ in May after gaining $1.34 1/4 during April.

Soybeans' often soft tone in May is partly tied to increased South American exports. Also, by mid- to late-May, the market has typically "bought" however many corn and soybean acres deemed necessary, and speculators cut long exposure as risk concerns ease.

As for July corn, prices fell 22 times in May and gained 20 times since 1980.

July SRW wheat posted declines during May in 26 out of the past 42 years, including seven out of the past 10 years. In 2021, July SRW followed a $1.24 1/2 April rally with a slide of 71 1/4¢ in May.

SRW's historical May decline reflects seasonal weakness as the U.S. winter wheat moves into harvest. Overall, all three markets often followed April rallies with May selloffs.

But 2022's unusual circumstances — including the war in Ukraine, decades' high inflation and weather-delayed U.S. plantings — may mitigate seasonal patterns, or render them moot entirely.

WATCH LIST

1	**USDA Grain, Soy Crush Rpts.** Record March soy crush expected.	**MON 5/2** 2:00 p.m. CT
2	**USDA Crop Progress Report** Corn planting progress in focus.	**MON 5/2** 3:00 p.m. CT
3	**U.S. Ag Trade Data** Ag exports, imports for March.	**WED 5/4** 10:00 a.m. CT
4	**FOMC Meeting Concludes** 50-basis point increase expected.	**WED 5/4** 1:00 p.m. CT
5	**USDA Export Sales Report** Chinese grain, soy buys are key.	**THUR 5/5** 7:30 a.m. CT

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