



News this week...

- 2 – Winter wheat conditions lower than expected.
- 3 – Beef exports remain strong, pork exports sluggish.
- 4 – Meteorologists tell us what to expect for spring, summer.

Global food crisis sparks strong gains in grain, soy markets – *Front-month soybean futures led strong price gains across the grain and soy markets last week, rallying nearly \$1. Corn and wheat also posted strong gains as selling from the previous week was met with a fresh wave of fund buying. Speculative money flow continues to be an important market driver. But the looming global food crisis caused by the war between Russia and Ukraine and China's strict Covid policies is drawing more market attention and attracting fresh fund buying. Live cattle futures weakened even as the cash market held roughly steady for a fifth consecutive week amid concerns with heavy beef production and demand concerns tied to near-record retail prices. Hog futures slumped amid the weakening cash hog index.*

April WASDE Report highlights

CORN — USDA left its old-crop corn ending stocks projection at 1.440 billion bushels. USDA raised food, seed and industrial use by 25 million bu. (ethanol) but offset that with a similar cut to feed and residual use. USDA raised its on-farm cash corn price by 15¢ to \$5.80.

SOYBEANS — USDA cut its old-crop soybean ending stocks forecast by 25 million bu. from last month to 260 million bushels. USDA increased soybean exports by 25 million bushels (to 2.115 billion bu.). USDA left its 2021-22 cash soybean price projection at \$13.25.

WHEAT — USDA raised its old-crop wheat ending stocks projection by 25 million bu. from last month to 678 million bushels. USDA cut projected wheat exports by 15 million bu. and feed and residual use by 10 million bushels. USDA raised its cash wheat price by a dime from last month to \$7.60.

COTTON — USDA left its old-crop cotton ending stocks at 3.5 million bales, making no changes to supply or use. It raised the 2021-22 cash price forecast by a penny to 91¢.

Global food prices surge to record-high

The UN Food and Agriculture Organization (FAO) global food price index surged 12.6% from February and 33.6% from year-ago to an all-time high in March. Compared to year-ago, prices jumped 56.1% for vegetable oils, 37.3% for cereal grains, 23.6% for dairy, 22.6% for sugar and 19.0% for meat.

Risk of global food crisis building

China's strict zero-Covid policy is exacerbating severe shortages of food and fertilizers domestically and around the world. Containers full of frozen food and chemicals are piling up at China's biggest ports given lockdowns and stringent testing amid a surging number of Covid cases.

Boozman: USDA needs plan for looming global food crisis

Sen. John Boozman (R-Ark.), ranking member of the Senate Ag panel, wants to know USDA's plans for the global food crisis and its support of U.S. producers' efforts to meet increasing demand. Pressure also is mounting for some type of farmer aid to help with high fertilizer costs.

EPA denies 36 2018 SREs, but...

EPA remanded 36 small refinery exemptions (SREs) from 2018, saying they were wrongly authorized. However, EPA will not require 31 of the facilities to buy compliance credits to fulfill the quotas, instead it would provide an "alternate compliance approach" so those refineries can still "meet their new 2018 compliance obligations without purchasing or redeeming additional RFS credits." Bottom line: Basically, EPA is letting most of the refiners off the hook on 1.4 billion gallons of blending credits. That calls into question the Biden administration's repeated support for biofuels.

Cooper: EPA's decision a 'hollow victory' for biofuels

Geoff Cooper, chief executive of the Renewable Fuels Association, said: "EPA admits those exemptions never should have been granted in the first place, but now is sweeping them under the rug and letting the refiners who got these exemptions off the hook. The so-called 'alternative compliance approach' issued by EPA is really a no-compliance approach."

EPA still mulling E15 decision

EPA Administrator Michael Regan told a Senate panel last week his agency is "evaluating flexibilities" on sales of E15 gasoline. "Whether it's E15 or RVOs (biofuels blending requirements), we need to have a comprehensive approach to alleviating our dependence on oil," Regan said.

More global oil reserves released

International Energy Agency members will release another 60 million barrels of oil from their emergency stockpiles. That's on top of the 180-million-barrel release of U.S. crude reserves previously announced by President Joe Biden. Perspective: The 240 million barrels that will be released are less than three days' global use.

Fed rhetoric even more hawkish

Minutes from the February Fed policy meeting signaled most members want to be more aggressive in raising interest rates. The committee also agreed to reduce its massive balance sheet by up to \$95 billion per month.

Winter wheat ratings plunge from fall

USDA rated just 30% of the U.S. winter wheat crop as “good” to “excellent” as of April 4, down 14 points from last fall and 10 points lower than anticipated. USDA rated 36% of the crop as “poor” to “very poor.”

When USDA’s 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 plunged 51.9 points from last fall to 272.6 points, 57.3 points below the five-year average for the beginning of April and the lowest initial spring rating since 2011. The SRW crop dropped 19.1 points to 342.2 points, 14.4 points below the five-year average.

Perspective: The winter wheat crop has yielded below trendline each year the “good” to “excellent” rating was below 40% at the beginning of April. Linear regression analysis suggests a 30% “good” to “excellent” rating would drop the winter wheat yield about 3 bu. below trend. But the yield would be helped some if there’s higher-than-normal acreage abandonment in HRW areas.

Sunflower acres expected to surge

The National Sunflower Association expects U.S. farmers to increase sunflower acres 20% this year. Reason: A surge in prices to an all-time high due to sharply reduced sunflower oil shipments from Ukraine, which accounted for nearly half of global exports. Sunflowers also require less fertilizer than other crops like corn. USDA’s March Prospective Plantings Report indicated U.S. farmers would expand sunflower acres by nearly 10% to just shy of 1.3 million acres.

Argentine farmers to plant more sunflowers, too

Argentine farmers might plant as many as 2 million hectares (4.9 million acres) of sunflowers for the 2022-23 growing season. That would be a 20% increase from last year and the most in 14 years. Sunflowers are more attractive than wheat and other crops due to the surge in prices, lower export taxes and less fertilizer requirements. However, sunflower seed supplies may limit some of the expected expansion.

Brazil raises corn crop, trims soybeans

Conab raised its official Brazilian corn crop estimate by 3.3 million metric tons (MMT) from last month to 115.6 MMT. Amid the higher production estimate, Conab increased its 2021-22 corn export forecast by 2 MMT to 37 MMT.

Conab trimmed its soybean crop estimate by 340,000 metric tons (MT) to 122.4 MMT. It now forecasts Brazil will export 77 MMT of soybeans in 2021-22, down 3.2 MMT from last month.

Global grain/oilseed supply upheaval

Russia’s near seven-week invasion of Ukraine has caused significant impacts to global grain and oilseed trade. Impacts will continue through 2021-22 and into 2022-23.

Putin blames sanctions for higher prices, shortages

Russian President Vladimir Putin said Western sanctions would lead to more global food shortages, saying they have already inflated fertilizer prices and caused shipping disruptions. He predicted Western countries would print more money to make food purchases, which would lead to shortages in poor countries. As food shortages increase, it will lead to higher global food prices.

Ukraine March grain, oilseed exports plunge

Ukraine exported only 1.1 MMT of corn, 309,000 MT of wheat and 118,000 MT of sunflower oil in March. Total grain and oilseed exports reached only 5.97 MMT, less than half the total it shipped in February.

Europe-based Strategie Grains expects Ukrainian exports of grains and vegoils to be virtually halted through June. As a result, it cut EU sunflower oil imports from Ukraine by 800,000 MT for both 2021-22 and 2022-23, to 1.7 MMT. EU sunflower meal imports were reduced 400,000 MT to 604,000 MT. Strategie Grains also raised its 2022-23 sunflower seed production estimate for the EU by 400,000 MT to 10.2 MMT to account for fewer imports from Ukraine.

Ukraine grain lobby wants export licenses lifted

The Ukrainian Grain Association, a group representing producers and exporters, asked the nation’s government to scrap licensing restrictions on wheat exports to restore shipments. Ukraine has extra stockpiles of wheat due to a robust harvest last year, but maintaining shipments has been complex with seaports closed. Ukraine’s government says it wants clarity on how the country’s spring planting is progressing before removing export licensing.

India’s wheat exports record-large

India exported a record 7.9 MMT of wheat in its 2021-22 marketing year, which ended March 31, a 274% surge from the previous year. The country’s wheat shipments have surged after Russia’s invasion of Ukraine drastically slowed exports from the Black Sea. India’s shipment pace is expected to remain robust in 2022-23 as the country is in the process of harvesting a record wheat crop of around 111.3 MMT.

Kazakhstan to restrict grain exports

Kazakhstan’s ag ministry proposed limiting exports of grains and flour until June 15 to ensure domestic supplies. The measure is expected to be approved within two weeks, though it’s uncertain if it will be a complete export ban or quotas, which the country has used in the past.



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Vilsack nixes idea of opening CRP land to cropping – at least for now

In a letter to the National Grain and Feed Association, USDA Secretary Tom Vilsack said, “CRP acres are disproportionately non-prime cropland, with more than 75% of acres from less productive, non-prime farmland... Additionally, a considerable proportion of currently enrolled CRP acres are in areas experiencing significant levels of drought. Production on those acres would be marginal at best... Even under non-drought scenarios, we know from historic data that acres coming out of CRP have significant ‘slippage,’ meaning that one acre coming out of CRP does not transfer into an acre of crop production, but closer to half that... Importantly, it is critical to point out that if we allow the tillage of CRP acres, the marginal-at-best benefit to crop production will be coupled with a significant and detrimental impact on producers’ efforts to mitigate climate change and maintain the long-term health of their land... While it is clear that there are no significant short-term gains to be realized from opening the program to crop production, I want to emphasize... we are keeping in mind the flexibilities that can be exercised under CRP in the form of emergency haying and grazing, with protections in place to prevent permanent damage to the land or the cover should the situation demand such flexibilities be used.”

USDA concluded a general CRP signup March 11, and Vilsack said only 1.8 million of the 4 million acres in expiring contracts will be re-enrolled in the program. New contracts on around 800,000 acres would be offered into the program. That would be a net decline of about 1.4 million total enrolled CRP acres for 2022. Vilsack noted the data proved there was no reason for him to open CRP to emergency cropping.

Beef exports stay strong, pork shipments slump

The U.S. exported 254.4 million lbs. of beef in February, down 33.2 million lbs. (11.5%) from January but up 4.1 million lbs. (1.6%) from last year and only 1.2 million lbs. below the record for the month posted in 2020. Through the first two months of this calendar year, the U.S. shipped 542.1 million lbs. of beef, up 45.7 million lbs. (9.2%) from the same period last year.

U.S. pork exports totaled 486.2 million lbs. in February, down 24.0 million lbs. (4.7%) from January and 105.7 million lbs. (17.9%) below last year’s tally. In the first two months of 2022, the U.S. shipped 996.5 million lbs. of pork, down 201.5 million lbs. (16.8%) from last year. U.S. pork shipments to China in the first two months of the year plunged 199.6 million lbs. (71.1%) from last year.

Ag trade surplus increases

U.S. ag exports declined to \$15.6 billion in February, while imports fell to \$14.4 billion. That resulted in an ag trade surplus of \$1.2 billion, up from just \$179 million in January. Through the first four months of fiscal year (FY) 2022, ag exports stood at \$84.1 billion against imports of \$75.0 billion for a surplus of \$9.1 billion.

It’s likely the monthly trade gap will be relatively narrow for the remainder of FY 2022 and monthly deficits are possible.

	ACTUAL			DOANE FORECASTS*		
	Year Ago	Last Week	This Week	May	June	July-Sept.
				(Monthly & quarterly avg.)		
CORN						
Central Illinois, bushel	5.50	7.05	7.38	7.60	7.65	7.25
Omaha, NE, bushel	5.54	7.19	7.64	7.65	7.70	7.30
Dried Distillers Grain, IA, \$/ton	197.33	274.36	275.36	--	--	--
SOYBEANS						
Central Illinois, bushel	14.14	16.17	16.06	16.00	16.00	15.00
Memphis, TN, bushel	14.40	16.67	16.60	16.50	16.50	15.50
Soymeal, 48% Decatur, ton	398.70	510.40	470.00	460	460	445
WHEAT						
Kansas City, HRW, bushel	5.86	10.19	10.89	11.00	11.00	10.75
Minneapolis, 14% DNS, bushel	7.31	12.03	12.74	12.75	12.75	12.50
St. Louis, SRW, bushel	6.43	9.98	10.38	10.50	10.25	9.75
Portland, Soft White, bushel	6.70	10.50	10.75	11.00	11.00	10.50
Durum, NE MT HAD, 13%, bu.	6.33	12.50	12.50	12.50	12.50	12.00
SORGHUM , Kansas City, cwt.	9.90	12.47	13.18	13.50	13.50	12.75
COTTON , 11/16 SLM, 7 area, c/lb.	74.61	134.24	134.82	132.50	132.50	127.50
RICE , nearby futures, cwt.	13.13	15.73	16.04	16.25	16.25	16.00
BARLEY , MT, G.T., malting, bu.	7.25	7.75	7.75	7.80	7.75	7.50
OATS , Minneapolis No. 2 heavy, bu.	3.88	6.74	7.50	7.50	7.50	7.00
ALFALFA , NW Iowa, lg. sq. prem., ton	180.00	183.67	189.79	190	190	190
SUNFLOWERS , Fargo, ND, cwt.	22.70	37.50	38.00	38.50	37.50	36.50
HOGS , Nat'l carcass 51%-52% cwt.	97.92	102.13	99.72	105.00	120.00	115.00
FEEDER PIGS , 40 lbs., Nat. avg, head	100.96	119.89	117.97	120.00	108.00	90.00
CHOICE STEERS , feedlots, cwt.	118.08	138.95	139.32	136.00	132.00	130.00
FEEDER CATTLE , Oklahoma City						
Steers, 700-800 pounds, cwt.	142.57	160.52	162.09	158.00	160.00	162.00
Steers, 500-550 pounds, cwt.	175.08	204.24	212.39	197.00	192.00	186.00
Heifers, 450-500 pounds, cwt.	149.66	177.93	181.84	180.00	175.00	170.00
COWS , utility, Sioux Falls, SD, cwt.	68.72	78.37	78.07	75.00	72.00	74.00
MILK , Class III, CME spot month, cwt.	17.61	23.29	23.72	21.75	21.50	22.00
LAMBS , Slg., San Angelo, TX, cwt.	158.00	185.00	216.00	--	--	--
ENERGY						
Ethanol, IA, gallon	1.83	2.35	2.28	--	--	--
Farm diesel, U.S., gallon	2.51	4.56	4.51	4.05	3.98	3.89

*Average prices expected for the indicated time periods based on available information. Forecasts will be revised as necessary to reflect changing market conditions.

La Niña continues its multi-year presence

By News Editor Tim Hoskins



Attention is quickly turning to weather for the upcoming U.S. growing season. Meteorologists we interviewed agreed La Niña would be a weather factor for the third consecutive year.

Drew Learner, World Weather senior meteorologist, says there is a 22-year pattern of multi-year La Niñas. Joe Woznicki, Commodity Weather Group meteorologist, notes previous episodes of multi-year La Niñas were 1998 to 2000, 1973 to 1975 and 1954 to 1956. The forecasters say there is a multi-year period of negative Pacific Decadal Oscillation (PDO), as well. Historically a negative PDO means higher odds of warmer- and drier-than-normal weather from June through August in the Corn Belt. Jon Davis, Everstream chief meteorologist, says the PDO will strongly impact summer weather. Jan Dutton, Prescient Weather CEO, expects the PDO weather influence to increase as La Niña wanes.

Lerner: Late-summer dryness in Western Corn Belt

World Weather's Lerner expects potential planting delays in the Delta and Tennessee Basin in April due to flooding. In the western Corn Belt, April will be cool, which could limit fieldwork. The eastern Corn Belt will have cool temps in May. The Upper Midwest will have plenty of moisture during the planting season.

Lerner says June weather in the eastern Corn Belt will be favorable, though he expects the region to dry out in July and August. He predicts the western Corn Belt will be drier during summer as drought in the western U.S. persists and potentially expands. While La Niña will continue, it should diminish in importance.

Lerner expects September and early October to have a drier bias across the Corn Belt, while precip should be close to normal in late October and November.

Woznicki: Only slightly above-average temps

Commodity Weather Group's Woznicki says spring conditions across the Midwest look to be favorable. However, the Delta might experience too much moisture.

La Niña will continue but will be weak to moderate through summer. He expects June to be the hottest month. However, it will also have the most precip to help offset any stress. There will be patchy dryness developing in late summer across the eastern Midwest. While there will likely be a warmer-than-normal pattern, severe heat is unlikely. The Southern Plains are forecast to be the hottest and driest area

in the country, while he expects the Delta and Northern Plains will see normal to above-normal summer rainfall.

Heading into September, Woznicki says cooler-than-average temps are possible in the Northern Plains and Great Lakes region. He does not see an overly wet pattern for the fall. However, the Atlantic hurricane season will likely be a wildcard for early fall weather. He expects an active hurricane season similar to last year. But Woznicki says it is too early to tell where hurricanes will develop, either in the Gulf of Mexico or the Atlantic Ocean.

Davis: PDO a factor; 2022 weather generally favorable

Everstream's Davis says the negative PDO will likely continue through spring and summer, just like last year and expects it to play a significant role in the 2022 growing season.

Overall, Davis is optimistic about spring planting weather. He notes no area in the U.S. is overly saturated and adds the Upper Midwest does not have a lot of snowpack. For most of the U.S., he has a drier bias for spring but expects no extreme dryness, which likely means there will be minimal planting issues.

Davis says there are higher risks of dryness and heat in the western U.S. during the growing season. However, he does not expect problematic temps or moisture deficits for most U.S. crop areas. "We don't see any long-term issues and expect generally favorable weather for the 2022 crop," he says.

Dutton: La Niña to weaken in late summer

Prescient Weather's Dutton notes soil moisture levels in the western Corn Belt are drier than average to start the growing season, with Nebraska, South Dakota and North Dakota getting below-average precip the past 60 days. The eastern Corn Belt has received above-average precip over the same period.

He expects La Niña will continue to influence weather into summer. That means warm, dry, windy and sunny conditions will likely prevail across the Southwest and Southern Plains, with warm conditions in the Southeast during late spring. Cold and wet conditions are more likely in the Pacific Northwest and Great Lakes region.

However, he expects La Niña to weaken into late summer/early fall and the PDO will start to have more influence on the weather pattern. He says a waning La Niña and negative PDO usually lead to warmer and drier conditions during summer and early fall.

CATTLE - Fundamental Analysis

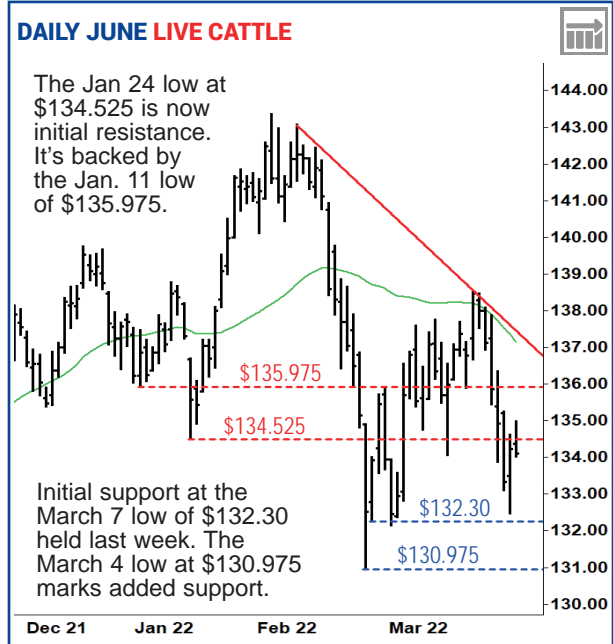
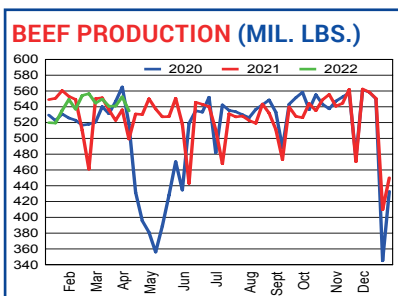
The cash cattle high of \$143.22 reached in late February now looks likely to mark the early-2022 peak. Cattle slaughter is rising seasonally, but the usual spring surge in beef demand that often boosts prices through mid-April seems weak this year. The chart shows beef production is proving quite large, with elevated animal weights amplifying the seasonal slaughter increase. Having steak and “all other” retail beef prices average 17.8% and 22.7% over respective year-ago levels during February exemplify the obstacles facing consumers. Cattle prices seem set for a modest April bounce, then a decline into summer.

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.



HOGS - Fundamental Analysis

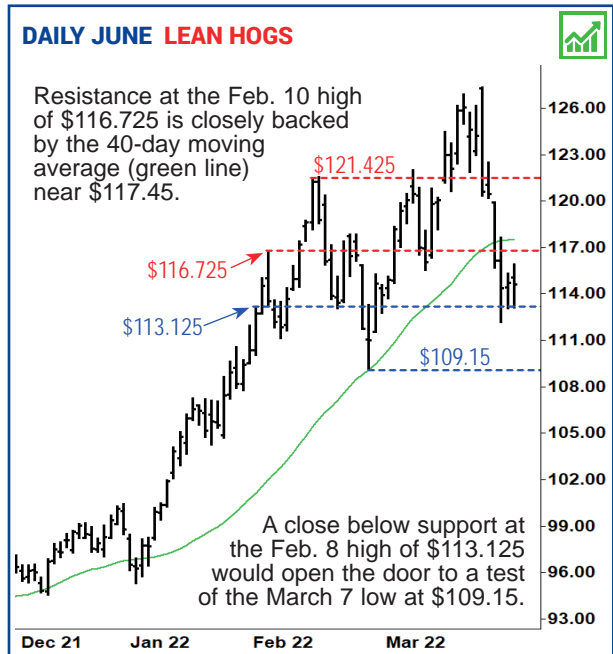
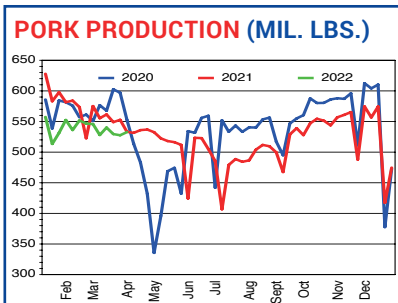
Early-April hog slaughter fell just 1% below year-ago, while elevated hog weights boosted pork production onto a rough par with the first week of April 2021. But the year-ago figures were curtailed by the Easter holiday in 2021, whereas this week's totals will be curtailed by Easter this year. The chart shows the substantial production cuts likely coming through spring, which should power hog and pork prices substantially higher. February prices for all pork cuts “other than hams” averaged 15.9% over year-ago levels, but are lagging gains in beef. The recent hog futures breakdown seems overdone.

Position Monitor

Game Plan: **Hog Lean Hogs**

futures have weak-	II'22	0%
ened technically	III'22	0%
and could face	IV'22	0%
	I'23	0%

more near-term pressure. But seasonally, the market will rebound to a summertime peak.



FEED

Feed Monitor

Corn

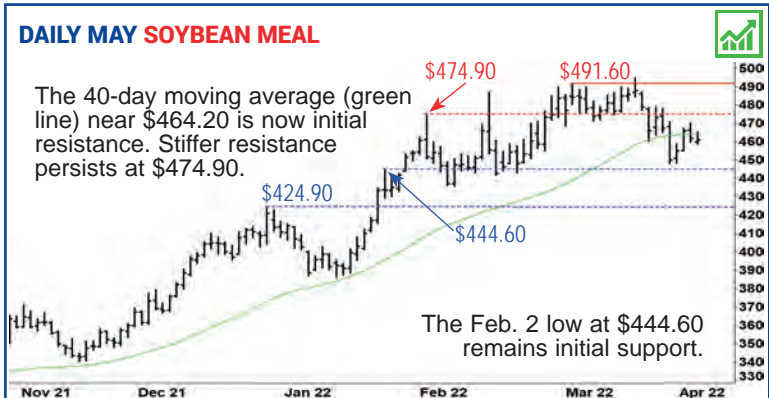
II'22	0%
III'22	0%
IV'22	0%
I'23	0%

Corn Game Plan: You are hand-to-mouth on corn-for-feed needs. We are targeting the \$7.00 level in May futures to extend coverage.

Meal

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

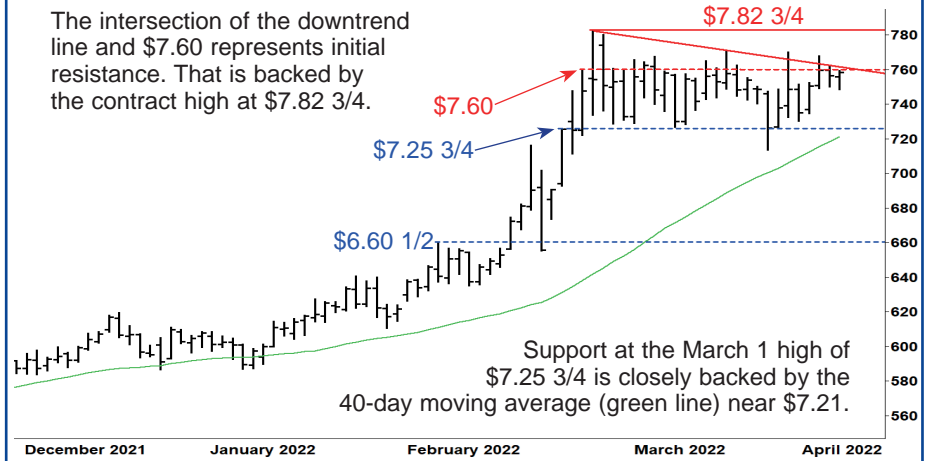


Position Monitor

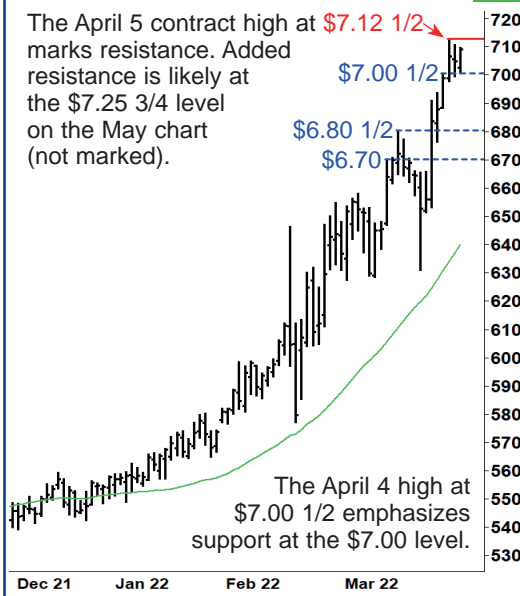
	'21 crop	'22 crop
Cash-only:	90%	40%
Hedgers (cash sales):	90%	40%
Futures/Options	0%	0%

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 hit our original target at \$7.00 to extend 2022-crop sales but we believe there's more upside potential based on recent market developments. Hold off on additional new-crop sales for now.

DAILY MAY CORN



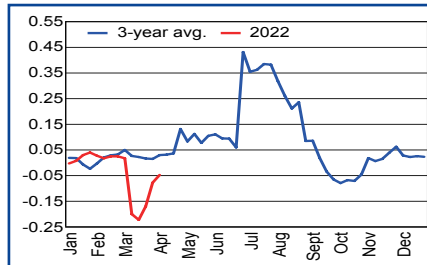
DAILY DECEMBER CORN



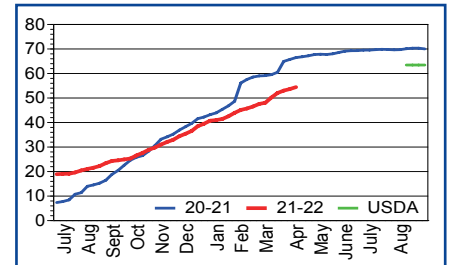
CORN - Fundamental Analysis

Nearby futures posted strong gains for the week but otherwise extended the sideways pattern that's persisted for more than a month. Barring a sharp move higher in wheat and/or crude oil, near-term price upside for old-crop corn may be limited. While demand remains solid, it will be increasingly difficult to sustain these elevated levels, especially if funds pare their long exposure (see "From the Bullpen" on *Analysis page 4*). New-crop December futures appear more buoyant and scored a series of contract highs last week. A slow start to Midwest planting isn't a market concern yet, but the seeding pace will soon come into greater focus.

AVERAGE CORN BASIS (MAY)



CORN EXPORT BOOKINGS (MMT)

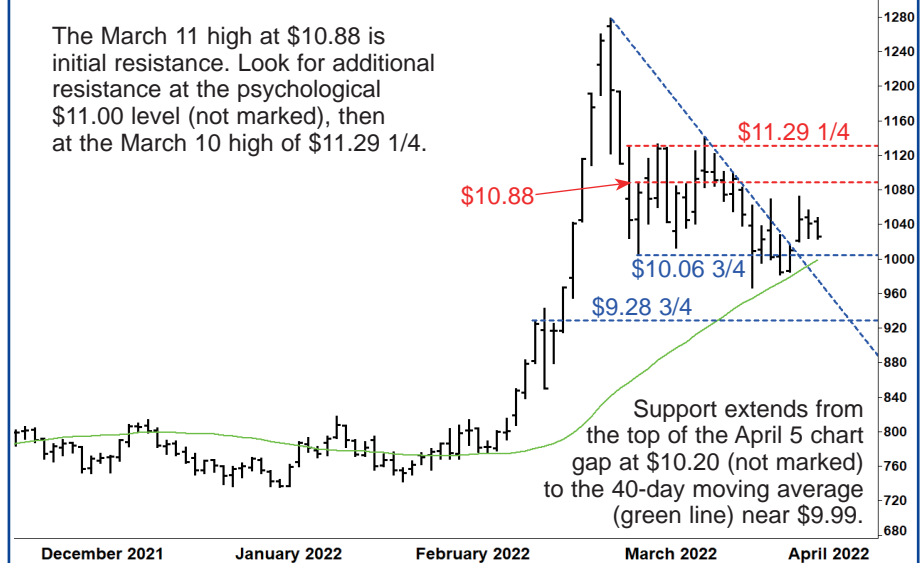


Position Monitor

	'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 any spring price strength to finish old-crop sales and make more new-crop sales. The March 29 low is a key support as a drop below that level would open sharp downside risk.

DAILY JULY SRW WHEAT



WHEAT - Fundamental Analysis

SRW – Dismal HRW crop ratings hogged the headlines last week but top SRW states are faring better. Ukraine shipping disruptions may keep a floor under the market. But lagging U.S. exports, seasonal weakness and decent SRW conditions could limit the upside.

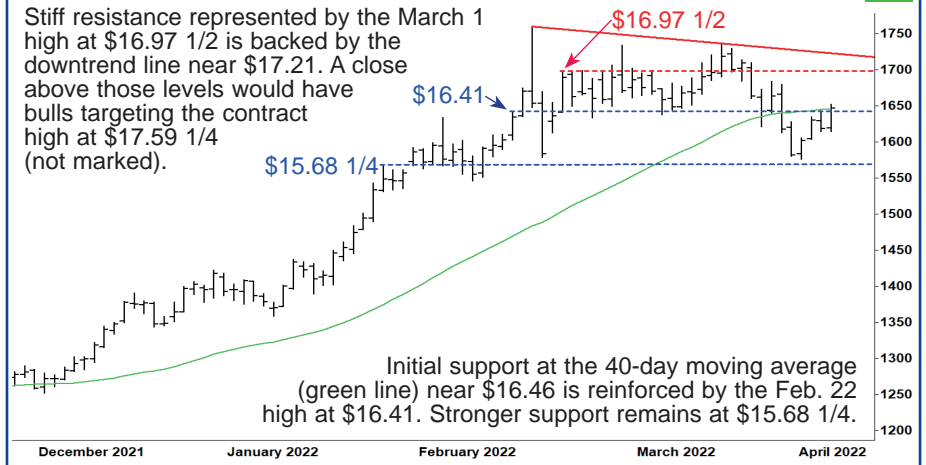
Position Monitor

	'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, a push above \$15.00 in November futures would likely trigger some additional sales. A drop below the April 1 low could require short-term, defensive hedges.

DAILY MAY SOYBEANS

Stiff resistance represented by the March 1 high at \$16.97 1/2 is backed by the downtrend line near \$17.21. A close above those levels would have bulls targeting the contract high at \$17.59 1/4 (not marked).



Initial support at the 40-day moving average (green line) near \$16.46 is reinforced by the Feb. 22 high at \$16.41. Stronger support remains at \$15.68 1/4.

DAILY NOVEMBER SOYBEANS

The Feb. 23 high at \$14.88 marks resistance. The psychological \$15.00 level (not marked) is added resistance.

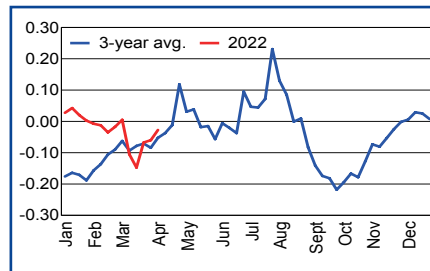


The 40-day moving average (green line) puts initial support near \$14.62. Additional support stems from the Feb. 7 high of \$14.24 1/2.

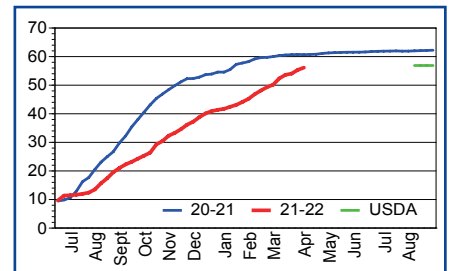
SOYBEANS - Fundamental Analysis

Nearby soybeans turned in a strong performance last week despite the previous week's bearish USDA planting intentions and stocks figures and weaker export sales. Also, November soybeans' outperformed December corn last week, which reflected some skepticism we'll hit USDA's record bean plantings projection. But with China showing up less in daily export reports and South American crop losses factored in, price upside may be limited. In addition, with crude oil and Malaysian palm oil both down sharply from their March peaks, speculative buying could ease. Midwest weather and planting progress will become a bigger focal point.

AVERAGE SOYBEAN BASIS (MAY)



SOYBEAN EXPORT BOOKINGS (MMT)



DAILY JULY HRW WHEAT

The March 3 high at \$11.33 marks resistance.



Support is now at \$10.65 3/4.

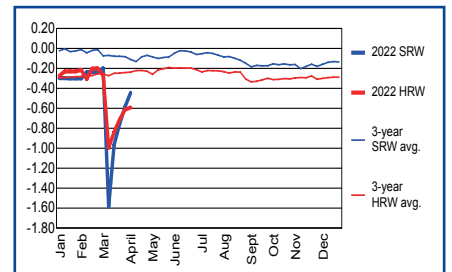
DAILY JULY HRS WHEAT

Resistance persists at the March 9 high of \$11.15.

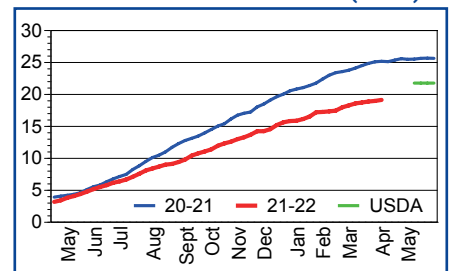


The March 9 high at \$10.60 1/2 is acting as support.

AVERAGE WHEAT BASIS (MAY)



WHEAT EXPORT BOOKINGS (MMT)



HRW — Only in 1996 has the U.S. winter wheat crop gotten off to a worse start, based on USDA condition ratings. But poor crop ratings are losing the ability to surprise as the market increasingly factors in sub-par yields and greater abandonment. The Plains appears to have some moisture relief ahead, but prime HRW areas remain parched.

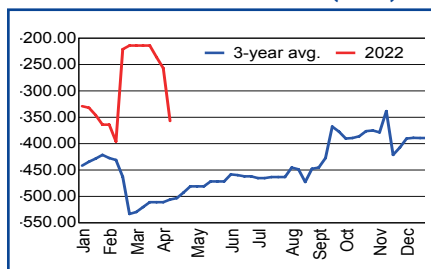
HRS — A strong price performance last week, as the market extended a rally following USDA's surprisingly low spring wheat acreage estimate put September HRS futures within view of the contract high. Plantings will likely remain in flux as drought persists in the Northern Plains and sluggish export demand could limit the upside.

Position Monitor

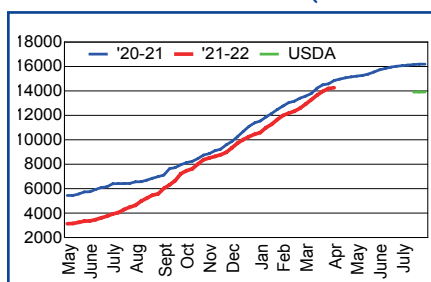
	'21 crop	'22 crop
Cash-only:	90%	50%
Hedgers (cash sales):	100%	50%
Futures/Options	0%	0%

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

U.S. cotton exports jumped to a fresh marketing-year high at 455,500 bales during the week of March 31. Total old-crop commitments (exports + outstanding sales) are above USDA's March forecast. Regardless of when they're shipped, export demand is supportive.

GENERAL OUTLOOK

Equities: The recent "inversion" of the Treasury yield curve, with the 2-year note yield moving above the 10-year's, raised a few eyebrows, as the phenomenon has often been followed by recession (the inversion disappeared last week in the wake of hawkish rhetoric from the Fed). However, a yield curve inversion is an imperfect predictor of recessions. In some cases, the yield curve inverted but a recession did not happen.

The stock market is a better indicator of economic health. Stock indexes have been trending up and recently hit multi-week highs, suggesting investors expect stronger economic growth and tamer inflation. Consumers pay more attention to stocks than bonds.

RBC Capital Markets reports bears outnumber bulls for the first time since mid-2019. But keep in mind that stocks like to "climb a wall of worry."

FROM THE BULLPEN By Market Analyst Bruce Blythe

Speculators' ardor for the grain markets seems to have cooled as the U.S. spring planting season kicks into gear.

In late March, large speculators cut their bullish bets in the soybean market to the lowest level in nearly two months, Commodity Futures Trading Commission data showed. The so-called managed money net long totaled 156,273 soybean futures and options contracts as of March 29, down 17,919 contracts from a week earlier and the lowest net long since Feb. 1.

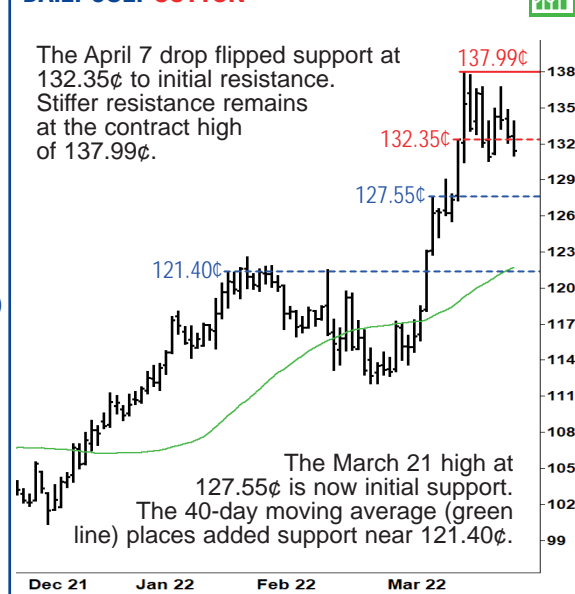
Funds cut their long exposure across the grain markets — and in other commodities, such as crude oil — as prices dropped sharply from the steep rallies triggered by Russia's invasion of Ukraine. In late March, the managed money net

long also fell in corn, SRW and HRW wheat, soymeal and soyoil.

In corn, the managed money net long tumbled 29,497 contracts during the week ended March 29 to 354,604 contracts, a four-week low. In Nymex crude oil, the managed money net long fell nearly 6,000 contracts to 257,908 contracts, the lowest since the week ended Dec. 21.

Grain futures have risen since the end of March, so it's possible some speculators had a change of heart and are loading up on the long side again. Also, funds are still leaning relatively long, based on historical patterns. The end-March net long in soybeans, for example, was the fourth highest for that date since 2006; the net long for corn was the second highest.

DAILY JULY COTTON



WEEKLY S&P 500 INDEX



WATCH LIST

- 1 USDA Crop Progress Report** **MON 4/11**
Winter wheat ratings in focus. 3:00 p.m. CT
- 2 U.S. Consumer Inflation** **TUES. 4/12**
Prices surged more in March. 7:30 a.m. CT
- 3 Chinese Trade Data** **TUES 4/12**
Imports, exports for March. 10:00 p.m. CT
- 4 USDA Export Sales Report** **THUR 4/14**
Soybean, corn sales to China key. 7:30 a.m. CT
- 5 Good Friday** **FRI 4/15**
Gov't offices open; markets closed.

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