



News this week...

- 2 – Record-low HRW CCI rating into dormancy.
- 3 – Feedlot numbers point to tighter beef supply in 2023.
- 4 – Key market, trade and policy issues ahead.

Corn, wheat face heavy pressure – Bears dominated price action coming out of Thanksgiving, with corn and wheat facing the heaviest selling pressure. Front-month futures in both markets slumped to their lowest levels since August amid weak export demand and active fund selling. The selling pressure wasn't as heavy in soybeans, but a sharp plunge in soybean and generally favorable weather conditions in Brazil triggered a late-week selloff after January futures earlier rose to their highest level since September. With bears solidly holding the upper hand in the grain and soy markets, bulls need a fresh catalyst to entice buying. Price action in live cattle futures was choppy as traders remained cautious buyers despite firming cash prices. Lean hog futures were also choppy as traders waited on seasonal low in the cash market.

Fed likely to stay aggressive with rates

The U.S. economy added a stronger-than-expected 263,000 non-farm payrolls in November. Average hourly earnings jumped 5.1% over the past 12 months. The strong jobs data could lead to another 75-basis-point increase to interest rates this month despite Chair Jerome Powell suggesting the Fed may slow rate gains "as soon as December." While there are signs inflation has peaked, Powell warned the Fed's tightening cycle is far from over.

Brazil mostly favorable, Argentina dry

Aside from some dry pockets in south-central Brazil, growing conditions remain favorable. Heat and dryness remain a concern across much of Argentina's main grain belt.

Rail strike averted by Congress

Congress passed legislation that adopts a tentative agreement reached in September between union leaders and freight operators. That will keep railroads operating.

Global food prices decline again

The UN Food and Agriculture Organization (FAO) global food price index dropped for the eighth straight month, though it was still 0.4 point (0.3%) above year-ago. Compared to year-ago, prices were up 4.1% for meat, 9.1% for dairy and 6.4% for cereal grains, while vegoils dropped 16.2% and sugar declined 4.9%.

USDA raises farm income forecast

U.S. net farm income in 2022 is now forecast at \$160.5 billion, up \$19.5 billion from 2021, and up \$12.8 billion from USDA's September outlook. Net cash farm income is forecast at \$187.9 billion for 2022, up \$39.4 billion from 2021 and up from a September forecast of \$168.5 billion. The farm debt-to-asset and debt-to-equity ratios are the lowest since 2017.

Russia ammonia export deal close

A deal is "quite close" to resume Russian ammonia exports via a pipeline to a Black Sea port. A UN official stressed this was "almost more important" than ensuring grain exports.

EPA's RFS proposals for 2023-2025

Following are EPA's proposals for the amount of biofuels oil refiners must blend into their fuel over the next three years.

RFS	2022 bil. gal.	2023 bil. gal.	2024 bil. gal.	2025 bil. gal.
Conventional renewable fuel	15.25*	15.25*	15.25	15.25
Cellulosic	0.63	0.72	1.42	2.13
Biodiesel	2.75	2.82	2.89	2.95
Advanced biofuel	5.63	5.82	6.62	7.43
Total renewable fuel	20.63	20.82	21.87	22.68
Supplemental standard	0.250*	0.250*	NA	NA

EPA is projecting corn ethanol consumption of 14.455 billion gallons in 2023, 14.505 billion gallons in 2024, and 14.534 billion gallons in 2025, with an assumption of 110 million gallons of imported sugarcane ethanol and 25 million gallons of domestic advanced ethanol for each year. The inclusion of supplemental volume requirement results in an implied requirement of 15.25 billion gallons of conventional biofuel for 2022 and 2023, and is an "appropriate candidate volume" for 2024 and 2025.

Regarding renewable diesel, EPA said: "In total over 5 billion gallons of new renewable diesel capacity has been announced, though it is likely that not all these announced projects will be completed, and not all of those that are completed will necessarily produce renewable diesel in the 2023–2025 timeframe addressed by this rule." The current renewable diesel production capacity was put at 1.5 billion gallons as of February 2022. Looking forward, EPA said: "It appears more likely that the announced renewable diesel facilities will not be built if sufficient feedstock to operate these facilities at or near their production capacity cannot be secured," EPA noted.

Under the plan, one e-RIN would be generated for every 6.5 biofuel-powered kilowatt hours in an EV battery.

Winter wheat conditions improve, but...

USDA's final winter wheat crop condition ratings of the fall pegged 34% of the crop "good" to "excellent," up two percentage points from the previous week. The portion of crop rated "poor" to "very poor" declined seven points to 26%.

On the weighted *Pro Farmer* Crop Condition Index (0 to 500-point scale, with 500 being perfect), the HRW crop jumped 11.3 points to 280.3, though that was still 51.9 points below the five-year average for the end of November and the lowest rating ever heading into dormancy. The SRW crop improved 2.8 points to 360.2, which was still 14.5 points below average.

Three-quarters of winter wheat area saddled with drought

USDA estimated 74% of the winter wheat crop was experiencing drought heading into dormancy, 22 points greater than last year. In HRW areas, dryness/drought covers 84% of Colorado, 100% of Kansas, 88% of Montana, 100% of Nebraska, 100% of Oklahoma, 100% of South Dakota and 74% of Texas.

In SRW areas, dryness/drought covers 81% of Missouri, 81% of Illinois, 98% of Indiana, 73% of Ohio, 42% of Michigan, 100% of Kentucky and 98% of Tennessee.

Consultant cuts Argentine crop pegs

Weather and early growing conditions in Argentina remain "problematic," according to South American crop consultant Dr. Michael Cordonnier. As a result, he cut 1 million metric tons (MMT) from his Argentine corn crop estimate, which he pegs at 49 MMT. He also cut 1 MMT from his Argentine soybean crop estimate, which stands at 49 MMT as well.

Cordonnier kept his Brazilian soybean and corn crop estimates at 151 MMT and 125.5 MMT, respectively.

First Brazilian corn headed to China

Shipments totaling around 200,000 metric tons of corn left Brazilian ports in late November, destined for China. These were the first shipments under the new phytosanitary agreement between the two countries, with more Brazilian corn scheduled to set sail this month.

U.S. presses Mexico on GMO corn ban

Mexican President Andres Manuel Lopez Obrador indicated U.S. GMO corn imports for animal feed would still be allowed after meeting with USDA Secretary Tom Vilsack. The U.S. threatened legal action via the U.S.-Mexico-Canada Agreement if Mexico pressed forward with plans to halt imports of U.S. GMO corn in 2024.



Argentina revives 'soy dollar' FX rate

Argentina boosted the exchange rate for soybeans and soy products to 230 peso per U.S. dollar through the end of the year, seeking to ramp up exports to bolster its international currency reserves. This is greater than the "soy dollar" exchange rate boost to 200 pesos per dollar in September, which was highly effective in freeing up soy shipments. The Argentine government also cut the export tax for soymeal and soyoil by two percentage points to 31%.

Argentina hikes biodiesel price

Argentina's government hiked the price of biodiesel for domestic consumption, aiming to keep its price just below the current high inflation rate. The ministry of economy retroactively established a value of 242,000 pesos (\$1,449) per metric ton of biodiesel sold from Nov. 15-30, from a previous price of 220,000 pesos. The value of biodiesel will be adjusted in subsequent months by 4% per month, in line with price guidelines the government seeks to replicate throughout the economy to tame inflation. After the adjustments, the price of biodiesel will reach 283,106 pesos per metric ton in March.

Brazil biodiesel blend hike put on hold

Brazil's biodiesel blend rate was scheduled to increase to 14% in January from 10% currently and then rise to 15% in March, but that was temporarily put on hold. Brazil's National Energy Policy Council (CNPE) will keep the B10 blend rate through March, when it will rise to 15%. The Brazilian Association of Biodiesel Producers estimates there will be 600 million liters less of biodiesel produced during the first trimester of 2023 because of the decision.

Brazil's incoming government will look to revoke the decision to keep the 10% biodiesel blend through March.

Lula to curb Cerrado deforestation

Brazilian President-elect Luiz Inacio Lula da Silva's transition team has held meetings with Brazil's soy industry to discuss a new pact to stop deforestation in the Cerrado savanna, modeled from an agreement for the Amazon. Deforestation in the Cerrado increased 8% to a six-year high in 2021, according to government data.

U.S. to sanction Brazilian deforesters

Washington will crack down on those supporting deforestation in the Brazilian Amazon, using penalties such as Magnitsky sanctions to tackle climate change more aggressively. Deforestation is surging as President Jair Bolsonaro approaches the end of his leadership under which clearing of the Amazon rainforest hit a 15-year high. Magnitsky sanctions would freeze any U.S. assets and bar all Americans and U.S. companies from dealing with sanctioned individuals or entities.

FY '23 ag exports cut, imports raised

U.S. ag exports in fiscal year (FY) 2023 are now projected at \$190.0 billion, down \$3.5 billion from USDA's August forecast. The decrease was primarily driven by expected reductions in soybean, cotton and corn exports that are partially offset by gains in beef, poultry and wheat. U.S. ag imports in FY 2023 are now forecast at \$199.0 billion, up \$2.0 billion from USDA's August forecast, largely driven by higher imports of horticultural products, sugar and tropical products as well as grain and feed products.

The new forecasts would imply ag trade red ink of \$9.0 billion in FY 2023 compared to a deficit of \$3.5 billion forecast in August and down sharply from last year's \$2.4 billion surplus.

WTO: Trade growth likely to slow

The World Trade Organization's goods barometer fell below trend, indicating trade growth was set to slow in the closing months of 2022 and into 2023. WTO's barometer fell to 96.2 from its previous reading of 100, reflecting "cooling demand for traded goods."

USDA indefinitely delays ERP 2

USDA pulled back its rollout of Phase 2 of the Emergency Relief Program (ERP), largely due to a lot of negative producer and farm-state lawmaker feedback on USDA's apparent approach. A source told us: "It violates the initial regulation that says it would run according to phase I. It requires producers to give over tax returns... private concerns. It operates as a whole-farm program though it was never intended to."

Inflation, rising rates remain concerns

The Fed's Beige Book of economic conditions across the 12 districts noted five districts saw slight or modest gains in activity, while the rest experienced either no change or slight-to-modest declines. Interest rates and inflation continued to weigh on activity, and many contacts expressed greater uncertainty or increased pessimism concerning the outlook.

District agricultural conditions were mixed, though mostly strong. Besides inflation and rising interest rates, the leading concerns among the ag industry within the 12 districts were input prices (specifically seed, fertilizer and feed costs), ongoing supply-chain constraints and drought. High commodity prices were noted as offsetting some of the impacts from inflation.

DOT rejects ag driver time waiver

The Department of Transportation (DOT) denied a request for truckers who transport livestock, insects and aquatic animals to be exempt from some federal driving time regulations. The Federal Motor Carrier Safety Administration said the request wouldn't meet an acceptable safety level.

Feedlot supplies contracting

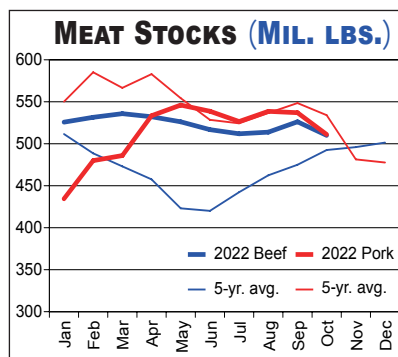
USDA's Cattle on Feed Report estimated there were 11.706 million head of cattle in large feedlots (1,000-plus head) on Nov. 1, down 242,000 head (2.0%) from last year. The Nov. 1 feedlot inventory was the smallest since 2017. October placements fell 6.1%, while marketings increased 0.6%.

Cattle on Feed Report	USDA actual (% of year-ago)	Average estimate (% of year-ago)
On Feed Nov. 1	98.0	98.3
Placed in Oct.	93.9	96.5
Mkted in Oct.	100.6	100.8

Feedlot numbers have declined relative to year-ago for two consecutive months and will continue to tighten, though the biggest decreases aren't expected until the second half of next year.

Beef stocks drop contra-seasonally

U.S. frozen beef stocks declined 16.2 million lbs. (3.1%) during October to 509.9 million lbs., whereas the five-year average was a 17.6-million-lb. increase during the month. Despite the contra-seasonal decline, beef inventories rose 36.2 million lbs. (7.6%) from October 2021 and stood 17.4 million lbs. (3.5%) above the five-year average.



lbs. (15.5%) from October 2021 but were 23.0 million lbs. (4.3%) lower than the five-year average.

USDA maintains food price forecasts

USDA kept its forecast for all food prices to rise 9.5% to 10.0% this year, with food at home (grocery) prices expected to increase 7.0% to 8.0% and food away from home (restaurant) prices expected to jump 11.0% to 12.0%. Those levels would be the highest for all food since a gain of 11% in 1979 and the highest for grocery store prices since a surge of 12.7% in 1974. Restaurant prices are tracking for the biggest annual increase since a 9% jump in 1981.

USDA raised its price ranges for seven food categories, including eggs. It revised lower three food price categories, including beef.

USDA maintained its forecasts for all food prices to rise 3% to 4% in 2023, with increases for grocery store prices of 2.5% to 3.5% and restaurant prices of 4% to 5%. Despite being down sharply from its forecasts for 2022, the levels remain well above the 20-year average rise of 2.4% for all food, 2.0% for grocery prices and 2.9% for restaurant prices.

Bottom-line assessment of key market, trade & policy issues

By Washington Policy Analyst Jim Wiesemeyer and Editor Brian Grete



As 2022 winds down, it's time for an update on late-year issues that will likely linger into 2023 and beyond.

China's faltering zero-Covid policy

Widespread protests have taken place in China as citizens grew tired of the lockdowns. China analysts at *Trivium* say China's zero-Covid policy, "maintained through whack-a-mole lockdowns in the past three years, is finally turning." Reasons: "We are now seeing three of the signposts we have been watching for. First, the Party is shifting its narrative regarding the dangers of Omicron. Second, authorities are also ramping up vaccinations. Third, asymptomatic and mild Covid patients will now be allowed to recover at home. The only outstanding to-do item is to ramp up healthcare system capacity, especially ICU bed counts... We expect many policy tweaks along the way, and there is high potential for backtracking if things turn south. Bottom line: We won't see lockdowns go away overnight, but it's clear China is taking steps toward living with Covid."

China is key to logistics and a major exporter and importer. A less fractious Covid plan could revive several markets if there are no major changes.

Russia/Ukraine war: How does it end?

This is the hardest question we face from Members. U.S. and EU officials are privately trying to convince Ukrainian leaders to negotiate a settlement. They are balking. This could be a far lengthier war than most think. Meanwhile, Republicans are no longer willing to write a blank check for Ukraine, so look for aid to take a more contentious route ahead.

Will the dollar be challenged as world currency?

It's already being set up by China, Russia, Iran and other countries as they've seen how the U.S. has used the dollar relative to sanctions against Russia. It will take time, but our sources say it's not if but when a digital currency or some other dollar challenger comes. That will have major implications, including more pressure to address the U.S. debt situation.

RFS: What EPA's proposals signal

Ethanol groups are applauding EPA's announcement regarding the Renewable Fuel Standard while biodiesel and advanced biofuel groups say the numbers don't reflect the growth in renewable diesel and other products.

Says one RFS analyst: "The story within the story is that

virtually all of the growth proposed by EPA in the total advanced category is in the cellulosic category to accommodate e-RINs, belying this administration's push for electric vehicles. Meanwhile, biodiesel and renewable diesel volumes are flat. Disappointingly flat because this is the area of investment where actual renewable fuel is coming online and where major oil refiners have made investment."

WOTUS: Some updates but more ahead

The Office of Management and Budget (OMB) completed its review of EPA's final rule to set yet another definition of Waters of the U.S. (WOTUS). This one is a final rule to replace the Navigable Waters Protection Rule from the Trump administration with a definition that goes back to the pre-2015 WOTUS rules but tweaked to account for court decisions. EPA is still developing a new definition with "further refinements" to the definition that would "take into account additional stakeholder engagement and implementation considerations, scientific developments and environmental justice values." The U.S. Supreme Court will issue a decision on a case it heard in October on WOTUS that will also impact the agency's yet-to-be detailed new definition.

ERP for 2022 crops and livestock?

Congressional sources continue to see another Emergency Relief Program (ERP) for eligible 2022 crops and livestock, but there is growing concern these ad hoc payments could impact operation of the crop insurance program. Current Democratic and Republican leadership favors a bulging omnibus spending bill for fiscal year 2023, which began Oct. 1. If so, language and funding for 2022 ERP could be provided. But this issue will be part of the new farm bill debate, with some saying the farmer safety net program should be improved to avoid having annual disaster program payouts.

Outlook for a split Congress in 2023

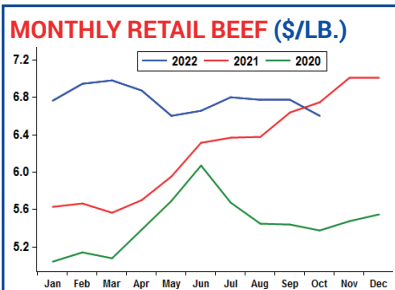
Many forecast gridlock for Congress. But our sources signal that may not be the case. They see at least a chance that leaders from both political parties will focus on getting enough votes from outside the aggressive wings of both parties. We should know if that will happen within the first six months of the new Congress. If so, there could be agreement on some sensitive topics like border security (GOP request) in return for immigration reform (Democrat's wish). This could also mean somewhat higher odds a new farm bill could be finalized in 2023.

CATTLE - Fundamental Analysis

The phenomenal performance by feedlot cattle has kept the supply of market-ready animals surprisingly liquid this fall, as exemplified by the largest slaughter total for the week of Thanksgiving since 2006. But wintry weather is becoming an increasing threat to short-term supplies. Conversely, after remaining below record late-2021 highs through 2022, retail beef prices fell below year-ago levels in October. That implies consumer demand will remain robust. The expected seasonal drop in cattle slaughter to annual lows in mid-to-late winter suggests cattle prices will continue climbing.

Position Monitor

Game Plan:	Feds	Feeders
The cash	IV'22 0%	0%
market	I'23 0%	0%
should re-	II'23 0%	0%
main on an upward trajectory as market-ready supplies tighten. Keep risk in the cash market.	III'23 0%	0%



DAILY FEBRUARY LIVE CATTLE

A close above resistance at the Aug. 11 high of \$155.80 would have bulls targeting the Oct. 24 high at \$157.05.

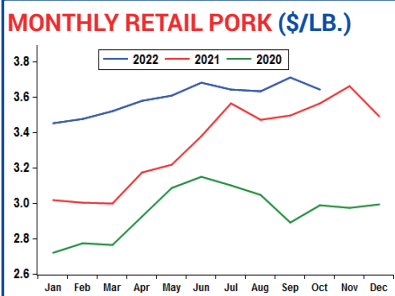


HOGS - Fundamental Analysis

Retail pork prices set fresh records in June and September, but look set to dip below year-ago levels in the fourth quarter. Wholesale prices have declined lately as grocers finished buying hams for Thanksgiving and featured beef during the first weekend of December. But fresh ham buying for Christmas and New Year's Day features seems likely to power the usual early-December bounce in hog and pork values. We still think this sets the stage for a strong rally in early 2023, especially with pig weights still averaging 5.0 lbs. or more below comparable year-ago values, implying relatively tight supplies.

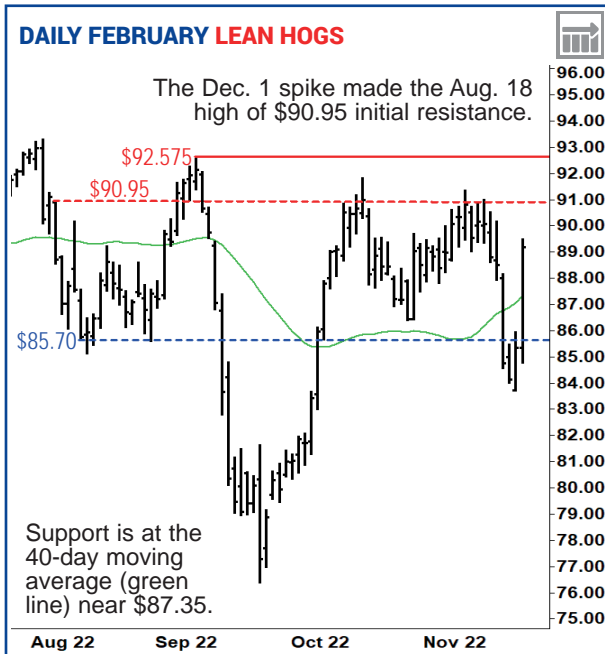
Position Monitor

Game Plan:	Lean Hogs
A seasonal low in the cash market should come soon.	IV'22 0%
We would only be interested in hedges on an overdone price rally in futures.	I'23 0%
	II'23 0%
	III'23 0%



DAILY FEBRUARY LEAN HOGS

The Dec. 1 spike made the Aug. 18 high of \$90.95 initial resistance.



FEED

Feed Monitor

Corn

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

Corn Game Plan: You are hand-to-mouth on corn-for-feed needs. Our target to extend coverage is a drop to the mid-\$6.40 level in March futures.

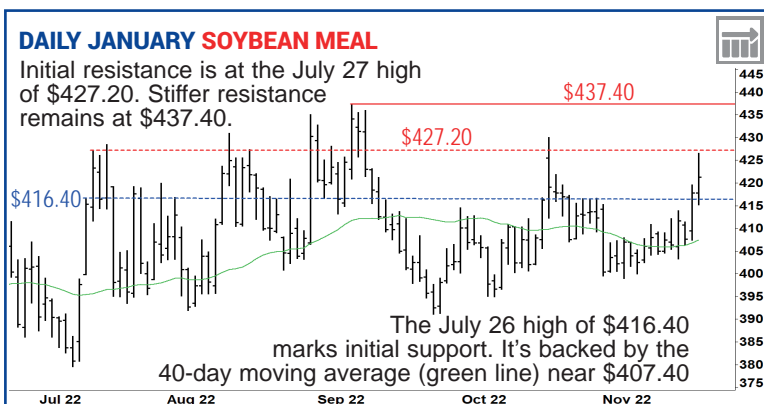
Meal

IV'22	100%
I'23	0%
II'23	0%
III'23	0%

Meal Game Plan: On Nov. 29, we advised covering all soybean meal needs in the cash market through December. Be prepared to extend coverage on a pullback to the low \$400.00 range.

DAILY JANUARY SOYBEAN MEAL

Initial resistance is at the July 27 high of \$427.20. Stiffer resistance remains at \$437.40.



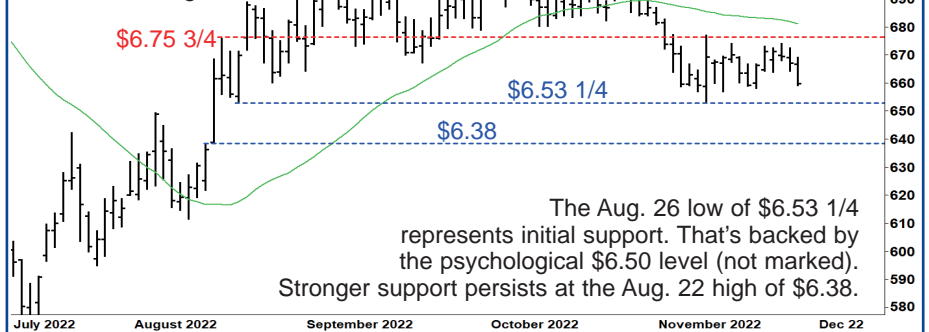
Position Monitor

	'22 crop	'23 crop
Cash-only:	50%	0%
Hedgers (cash sales):	50%	0%
Futures/Options	0%	0%

Game Plan: Wait on an extended corrective rebound to get caught up with advised sales if you aren't current. While export demand is sluggish, the downside should be relatively limited from current levels given tight supplies. Long-term fundamentals remain supportive once the market finds a short-term bottom. Wait on an extended price rally to advance sales.

DAILY MARCH CORN

Bulls failed to mount a serious challenge of initial resistance at the Aug. 24 high of \$6.75 3/4 last week. Resistance at the 40-day moving average (green line) near \$6.81 looks even tougher.



DAILY MAY CORN

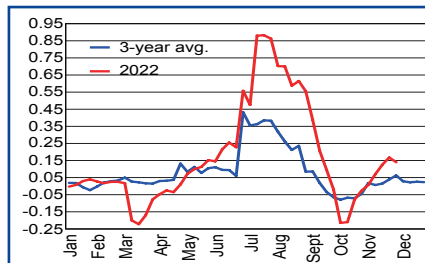
Resistance remains at the Aug. 29 low of \$6.72 3/4.



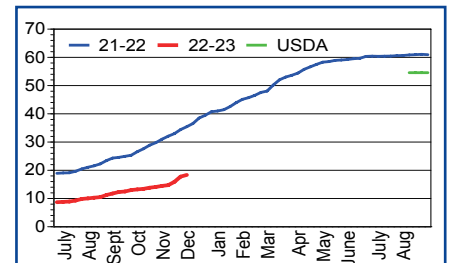
CORN - Fundamental Analysis

The corn market broke down technically last week, falling to the lowest levels since August. Fundamentally, weak export demand is telling traders lower prices are needed to encourage more sales. Given tight ending stocks forecast in 2022-23, the downside should be relatively limited but the near-term path of least resistance is lower. The corn market needs a catalyst to reinvigorate bulls. USDA's Dec. 9 Supply and Demand Report is likely to bring only minor adjustments that won't likely be bullish and not significantly impact prices. Be mindful of potential heightened volatility as trading volume fades through the holidays.

AVERAGE CORN BASIS (MARCH)



CORN EXPORT BOOKINGS (MMT)



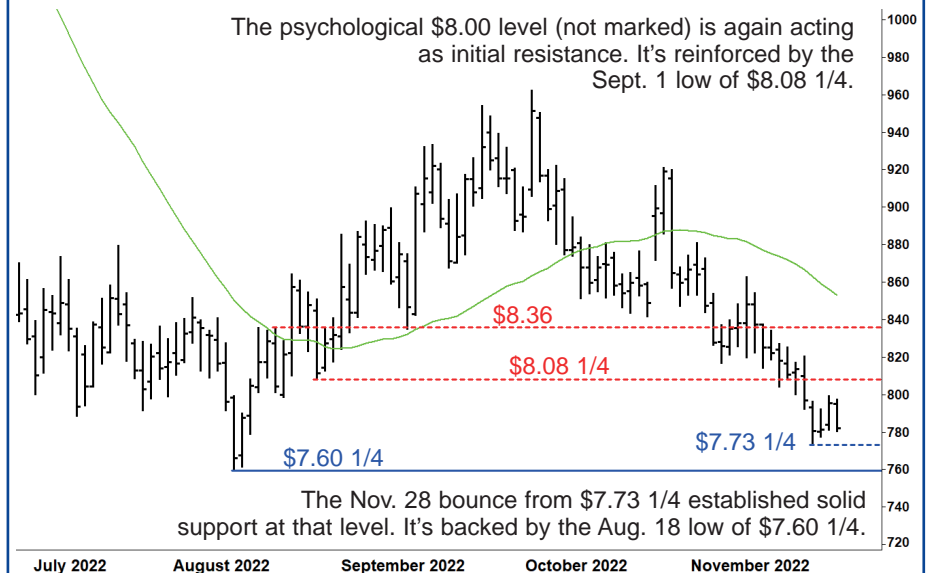
Position Monitor

	'22 crop	'23 crop
Cash-only:	85%	30%
Hedgers (cash sales):	85%	30%
Futures/Options	0%	0%

Game Plan: Wait to get current with sales. The market is weak technically, but given our sales levels and winter wheat struggles, we are content to wait on an extended price rally to increase sales.

DAILY MARCH SRW WHEAT

The psychological \$8.00 level (not marked) is again acting as initial resistance. It's reinforced by the Sept. 1 low of \$8.08 1/4.



WHEAT - Fundamental Analysis

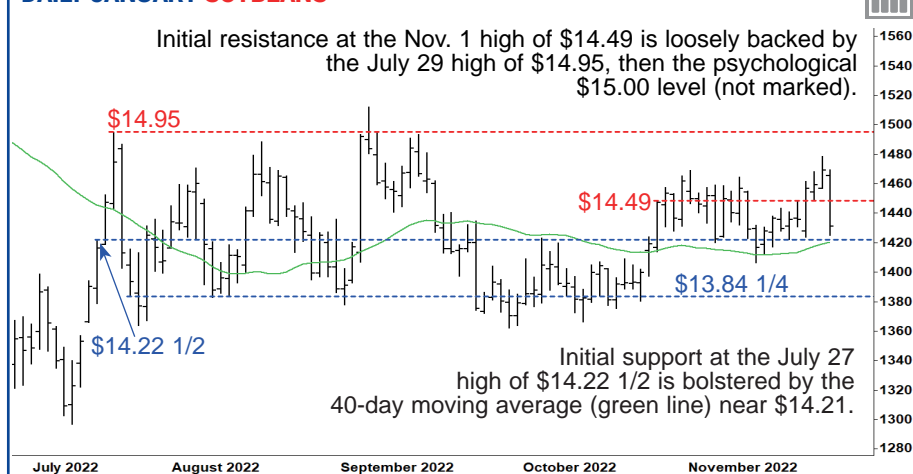
SRW — A fourth straight lower weekly close signals more near-term downside risk as export demand remains dismal. The U.S. dollar has pulled back sharply from its 20-year highs during fall, but that has failed to entice fresh demand from export customers.

Position Monitor

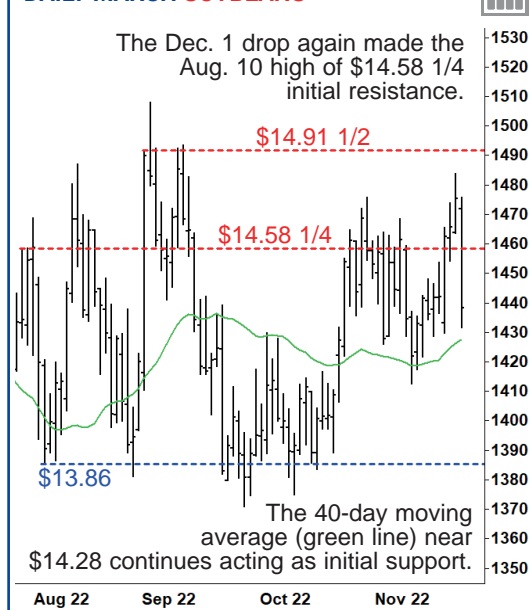
	'22 crop	'23 crop
Cash-only:	60%	0%
Hedgers (cash sales):	60%	0%
Futures/Options	0%	0%

Game Plan: Get current with advised sales if/when January futures are at \$14.75 or higher. A rally to tough resistance around the \$15.00 level would likely trigger additional sales and/or hedge advice. We still view extended price strength as a selling opportunity as South America is projected to grow a record crop and supplies will be ample through the 2022-23 marketing year.

DAILY JANUARY SOYBEANS



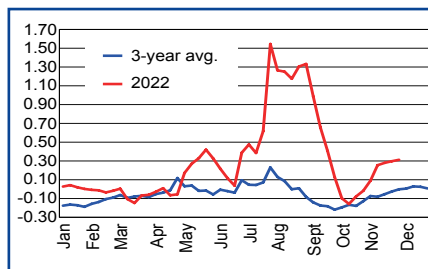
DAILY MARCH SOYBEANS



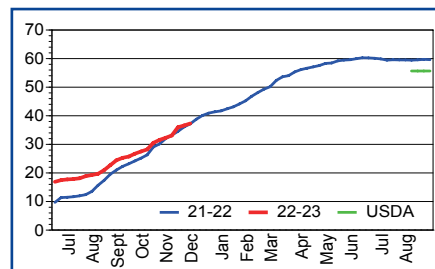
SOYBEANS - Fundamental Analysis

January futures' sharp selloff late last week raised the prospect the market has established a near-term top. Strong crush demand and a tight supply outlook for 2023 should limit price downside over the near-term, while soybean weakness and signs of slower exports amid impending record South American supplies could cap rally attempts. Those competing bullish and bearish forces may keep prices trading sideways within the past month's range the next few weeks. South American weather remains mixed, though most of the concerns are in Argentina, with Brazil expecting record production for 2022-23.

AVERAGE SOYBEAN BASIS (JANUARY)



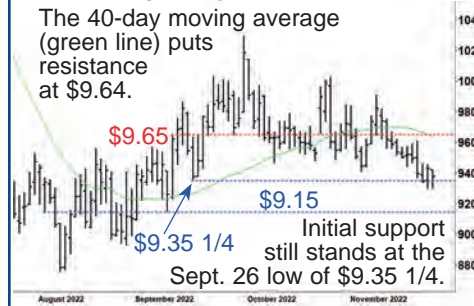
SOYBEAN EXPORT BOOKINGS (MMT)



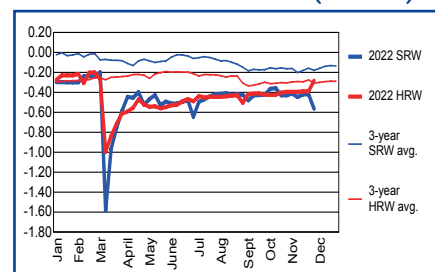
DAILY MARCH HRW WHEAT



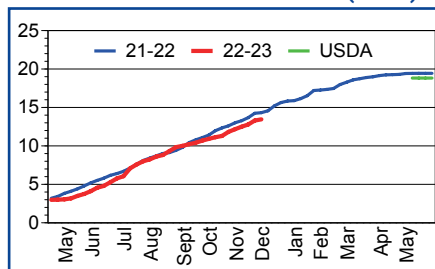
DAILY MARCH HRS WHEAT



AVERAGE WHEAT BASIS (MARCH)



WHEAT EXPORT BOOKINGS (MMT)



HRW — March futures sank near a three-month low and could have further downside with HRW export commitments down 36% from year-ago levels, the weakest of the five wheat classes tracked by USDA. Plains drought and a tight supply outlook are long-term price supportive but HRW will need help from SRW for any sustained rallies.

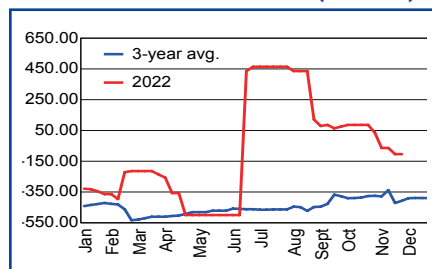
HRS — September HRS futures' discount to the March contract widened about 16 cents over the past two weeks, possibly reflecting expectations for a surge in 2023 plantings and spring wheat's firm export performance so far this marketing year. HRS commitments are up 7.7% ahead of 2021-22, whereas total U.S. wheat commitments are down 6.1%.

Position Monitor

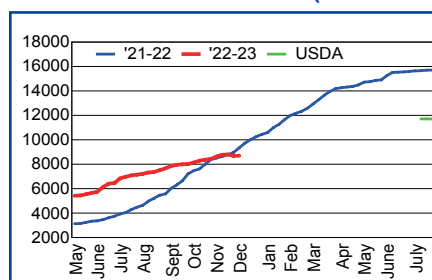
	'22 crop	'23 crop
Cash-only:	70%	0%
Hedgers (cash sales):	70%	0%
Futures/Options	0%	0%

Game Plan: We'll wait on a stronger rally before advancing sales. New-crop cotton is currently too cheap versus other crops.

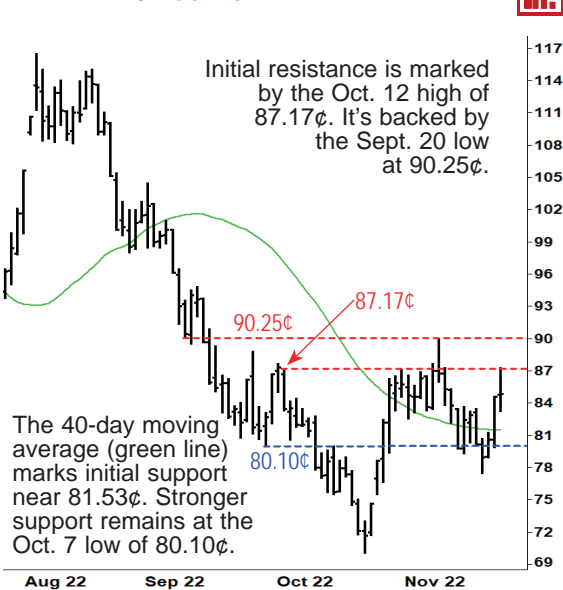
AVERAGE COTTON BASIS (MARCH)



COTTON EXPORT BOOKINGS ('000 BALES)



DAILY MARCH COTTON



COTTON - Fundamental Analysis

Cotton export numbers remained unusually weak in late November. That may challenge the strong seasonal tendency for price strength during December. Still, given the small crops produced the past two years, cotton may soon start bidding for acreage.

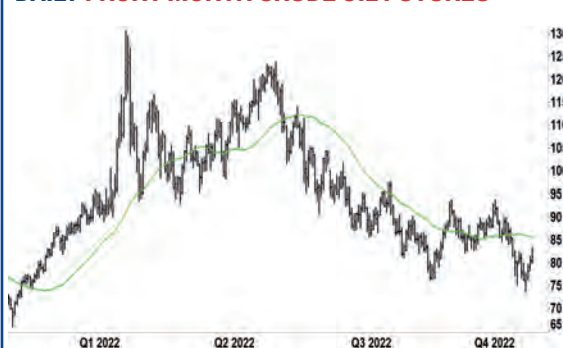
GENERAL OUTLOOK

Energy: Crude oil futures last week hit an 11-month low of \$73.60 before swiftly reversing course and pushing above \$80.00. The dramatic price reversal saw market bears run out of proverbial gas. The selling exhaustion suggests a near-term bottom is in place, which would be bullish for other commodity markets, including grains, soybeans and livestock.

Fundamentally, the oil market will

focus on an OPEC meeting early this week. Pre-meeting reports were mixed on whether the cartel would reduce oil production or leave it unchanged. Also in focus will be the scheduled European Union price cap on Russian oil imports, set to go into effect in early December. While that may hurt European demand, it could spur buying from China and India. The dollar's recent pullback could amplify the rally.

DAILY FRONT MONTH CRUDE OIL FUTURES



FROM THE BULLPEN By Market Analyst Bruce Blythe

Soybean futures the past four decades have carried a neutral to slightly bearish bias during December. In six of the previous 10 years, January soybeans ended December lower compared with the end of November, posting gains the other four years. The January contract fell in 24 of the past 42 Decembers.

In November, however, soybean futures turned in a stronger-than-usual performance, reflecting Chinese demand and increasing concerns over dryness in Argentina and areas of southern Brazil.

January soybeans ended November at \$14.69 1/2, up 50¢ for the month and the second straight monthly gain. In similar years, January soybeans gained an average of 1.8% in December. If the remainder of

this year follows that pattern, January soybeans would end 2022 at about \$14.97.

Corn futures have historically held a mostly neutral bias in December, with the March contract rising or falling five times each the past decade. Since 1980, March corn posted gains in 20 years and fell the other 22. March corn ended November at \$6.67, down 29 3/4¢ for the month.

Like soybeans, this year is shaping up differently for corn, and the drought-slashed crop of 2012 offers a close analog. In that year, March 2013 corn fell in December before turning higher shortly into the new year and ending January with a gain of 42 1/4¢, or 6.1%.

As with corn, wheat futures have a neutral-to-bearish December bias.

WATCH LIST

1	U.S. Ag Trade Data First monthly data for FY 2023.	TUE 12/6 9:30 a.m. CT
2	China Trade Data Imports, exports for November.	TUE 12/6 9:00 p.m. CT
3	USDA Export Sales Report Soybean sales to China in focus.	THUR 12/8 7:30 a.m. CT
4	China November Inflation Data Market watching pork prices.	THUR 12/8 7:30 p.m. CT
5	USDA WASDE Report Focus on any usage adjustments.	FRI 12/9 11:00 a.m. CT

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