



### News this week...

- 2 – Two vastly different U.S. winter wheat crops.
- 3 – USDA raises cash cattle forecast, cuts cash hogs.
- 4 – Not many changes to S&D tables, but some surprises.

**Cattle surge to all-time highs** – *Cattle futures and cash cattle prices eclipsed their previous highs from 2014 amid tightening supplies. Wholesale beef prices also surged, though they remained well below their 2020 Covid-driven peak. How far cattle prices rally will ultimately be determined by demand. Hog futures fell to contract lows as the cash market dropped to a new low for the year. USDA's Supply & Demand Report didn't show the expected cuts to 2022-23 corn and soybean ending stocks traders expected (see [News page 4](#)), but both markets saw bull spreading as old-crop contracts firmed and new-crop faded. Wheat futures rolled over despite another downturn in winter wheat crop condition ratings, driven by HRW declines, as USDA raised ending stocks more than anticipated.*

## Mostly favorable weather, but...

Conditions are expected to be favorable for spring fieldwork across much of the central U.S. this week. The exception will be the Northern Plains/upper Midwest due to flooding from snowmelt. A situation that will be closely monitored is an impending cold front April 21-23, which could produce freezing temps in some U.S. winter wheat areas.

## CPC issues El Niño watch

The U.S. Climate Prediction Center (CPC) says neutral conditions are expected to continue through spring before a transition to El Niño begins. CPC says odds are now up to 62% El Niño conditions will be present during the May-July period. Chances for an El Niño event rise to 80% or greater during the second half of this year.

## Brazilian beans headed to Southeast

A cargo of Brazilian soybeans will be headed for North Carolina in late April. The U.S. imports a small tonnage of beans every year, but this shipment will come much earlier than other years. With Brazilian prices at the biggest discount to U.S. beans in nearly a decade, more imports seem likely.

## China targets reduced soymeal use

China's ag ministry plans to reduce soymeal rations in animal feed to under 13% by 2025, lower than an earlier goal of less than 13.5%. Beijing is pushing to reduce its reliance on soybean imports. China also will conduct pilot projects in more than 20 large and medium-sized cities for use of food leftovers in animal feed. U.S. Soybean Export Council chief Jim Sutter said he was not concerned about a significant decline in Chinese soybean imports.

## U.S. mulls trade action against China

The Biden administration is considering actions to take against China for failing to meet terms of the Phase 1 trade deal. U.S. trade officials say China has not met "a number of commitments. Certainly the purchase agreements, but other provisions as well."

## Russia threatening to end grain deal

Russia said there would be no extension of the Black Sea grain deal beyond May 18 unless the West removed a series of obstacles for the export of Russian grain and fertilizer. Russia also wants its state bank Rosselkhozbank to be reinstated in the SWIFT global financial communications system. Russia also said there had been a failure of inspections of ships carrying grain from Ukraine.

### European countries balk at Ukraine grain movement

Poland, Hungary and Romania have all taken various steps to slow the movement of Ukrainian grain into their countries. They want to aid Ukraine in moving its grain, but don't want the supplies to suppress their domestic prices.

## U.S. consumer, producer prices ease

The U.S. consumer price index rose 5.0% above year-ago in March, which was the smallest annual increase since May 2021 and down from a 6.0% gain in February. The producer price index increased 2.7% last month, the smallest year-on-year rise since January 2021. While core inflation remains sticky, the U.S. dollar index fell to a two-month low amid ideas the Fed's monetary policy tightening could be nearing completion (see "General Outlook" on [Analysis page 4](#)).

## Mexico to investigate GMO corn

A working group will investigate the impact of genetically modified (GMO) corn imports on Mexico's tortilla industry amid a trade dispute with the United States. Mexico's health authority and scientific council will assess risks associated with consumption of GMO corn. The U.S. contends Mexico's restriction of GMO corn imports lacks scientific backing and violates the U.S.-Mexico-Canada Agreement.

## Lula meets Xi in Beijing

Brazilian President Luiz Inácio Lula da Silva met with Chinese leader Xi Jinping in Beijing on Friday. Some 20 bilateral deals are expected to be signed during the trip. China has also increased trade with Russia and others recently.

## HRW, SRW wheat crops diverging

USDA rated the U.S. winter wheat crop 27% “good” to “excellent,” down one percentage point from the previous week and five points lower than last year. The portion of crop rated “poor” to “very poor” increased one point to 37%.

On the weighted *Pro Farmer* Crop Condition Index (0 to 500-point scale, with 500 being perfect), the HRW crop dropped 5.8 points to 251.2, led by a four-point drop in top producer Kansas. The SRW crop improved 5.1 points to 368.9. The HRW CCI rating remains historically low, while the SRW crop is rated stronger than average for early spring.

### **Poor rating = higher abandonment and lower yield**

Our analysis signals a “good” to “excellent” crop rating of 27% in early April will lead to an abandonment rate of around 30%. It also suggests the winter wheat yield will drop around 3 bu. per acre from trendline to 47 bu. per acre.

## Argentine crop estimates continue to drop

The Rosario Grain Exchange made further cuts to its Argentine crop estimates amid the historic drought that slashed production potential. The exchange now estimates the country’s soybean crop at 23 million metric tons (MMT), down 4 MMT from its previous forecast. It cut the Argentine corn production forecast 3 MMT to 32 MMT.

USDA slashed its Argentine soybean crop forecast by 6 MMT to 27 MMT and cut the Argentine corn crop 3 MMT to 37 MMT.

Crop consultant Dr. Michael Cordonnier kept his Argentine production forecasts at 26 MMT for soybeans and 36 MMT for corn, saying it appears weather “has turned the corner.”

## Brazil’s record crops getting bigger

Conab raised its soybean crop estimate to a record 153.6 MMT, up 2.2 MMT from its forecast last month. The 2022-23 soybean export forecast was raised 1.3 MMT to 94.3 MMT. Conab increased Brazil’s corn crop estimate by 203,000 metric tons (MT) to a record 124.9 MMT – the first corn crop was raised 483,000 MT and the safrinha crop was cut 281,000 MT. The 2022-23 corn export forecast remained at 48 MMT.

Cordonnier added 2 MMT to both his Brazilian soybean and corn crop estimates, raising them to 153 MMT and 123 MMT, respectively. For soybeans, he says strong yields in most states will more than compensate for drought losses in Rio Grande do Sul. For corn, he says weather for the safrinha crop has been favorable to date.

USDA raised its Brazilian soybean crop peg 1 MMT to 154 MMT. It left the Brazilian corn production outlook at 125 MMT.

## 60-day grace for Argy soy exports

On April 11, Argentina authorized exporters to delay soy shipments for up to 60 days, amid drought-reduced production. The measure came a day after the Argentine government launched the latest “soy dollar” program.

In March, Argentina allowed exporters to delay corn shipments for up to 180 days. In November, exporters were also allowed to push back wheat shipments.

## Limited initial response to ‘soy dollar’

Initial sales under Argentina’s new “soy dollar” scheme got off to a sluggish start. At the end of March, farmers held only around 7.7 MMT of old-crop soybeans and had forward sold just 5.5 MMT of this year’s crop. With inflation above 100%, sources in Argentina signal farmers will only sell enough soybeans to pay bills, opting to hold physical inventory as a hedge against higher prices.

## China soy imports record-large in Q1

China imported 6.85 MMT of soybeans during March, down 2.7% from February but 7.9% more than last year. Through the first three months of 2023, China imported 23.02 MMT of soybeans, up 13.5% from the same period last year and a record for the first quarter of the year. Strong imports are expected to continue in April and May but could slow after that unless demand for soy meal from the hog sector improves.

## China’s exports unexpectedly surge

China’s exports surged 14.8% from year-ago to an eight-month high of \$315.59 billion in March. The country’s imports fell 1.4% to \$227.40 billion amid weak domestic demand. That widened China’s trade surplus to \$88.19 billion. The trade surplus with the U.S. narrowed to \$27.6 billion in March.

## Biodiesel, drought impacting soyoil

As a result of tighter global exportable supplies and higher industrial consumption, soybean oil as a percentage of global vegetable oil consumption is forecast to fall below 30% in 2022-23 for the first time in nearly a decade, USDA noted. Palm, rape and sunflower oil will fill the gap in vegetable oil supplies. Some 44% of U.S. soybean oil will go to biofuels during the current marketing year, USDA forecasts. Two years ago, the biofuel share of soyoil consumption was 37%.

USDA’s comments: “For soybean oil, imports are forecast to be the lowest in five years driven by lower Argentina exportable supplies and strong U.S. renewable diesel production, which has rendered U.S. soybean oil export prices uncompetitive on the global market. Soybean oil trade is further dampened by the announcement that the Brazil biodiesel blend mandate has been raised to 12%, putting further pressure on exportable supplies.”



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## Big changes to cash livestock prices

USDA raised its 2023 beef production forecast 110 million lbs. from last month but still expects output to fall 5.3% from last year. The beef export forecast was increased 45 million lbs. but shipments are still expected to drop 11.3% from last year. USDA now forecasts the average cash steer price at \$164.50 this year, up \$2.50 from last month and \$20.10 above last year.

USDA trimmed its 2023 pork production forecast 50 million lbs. from last month but expects a 1.4% year-over-year increase. The export forecast was raised 30 million lbs. from March and is now expected to increase 0.7% from last year. USDA cut its average cash hog price for this year by \$5.00 from last month to \$61.00, "reflecting current price movements and continued modest demand." The average cash hog price is now expected to fall \$10.21 from last year.

## China meat imports continue to rise

China imported 650,000 MT of meat in March, up 7.1% from February and 9.9% more than last year. China doesn't break out meat imports by category in its preliminary trade data, but the increase was driven by stronger pork imports, which started to increase late last year. Through the first quarter of this year, China imported 1.95 MMT of meat, up 17.2% from the same period last year.

## China's CPI eases despite higher pork

China's consumer price index (CPI) slowed to 0.7% above year-ago in March, the lowest figure since September 2021. Food inflation fell to a 10-month low of 2.4% as a sharp drop in prices for fresh vegetables more than offset higher pork prices. It's unusual for consumer food prices to move opposite of pork, which accounts for about one-third of CPI.

China's producer prices slumped 2.5% annually in March. That was the sixth straight month of producer deflation and the steepest fall since June 2020 amid easing commodity prices.

## Food prices steady, but still elevated

The U.S. consumer food price index was unchanged in March but still rose 8.5% from year-ago. The food at home (grocery store) index fell 0.3% from February, the first decline since September 2020, but was 8.4% higher than last year. Food away from home (restaurant) prices increased 0.6% last month for an 8.8% annual rise.

Three of the six major grocery store food group indexes decreased over the month. The index for meats, poultry, fish, and eggs decreased 1.4% in March, as the index for eggs fell 10.9%. The fruits and vegetables index declined 1.3% over the month, and the dairy and related products index decreased 0.1%.

## IMF warns of hard landing

The International Monetary Fund (IMF) expects global growth of 2.8% this year and 3% in 2024, slightly below its forecasts published in January. IMF said its baseline forecast "assumes that the recent financial sector stresses are contained." IMF stressed that signs of resilience alongside lower global energy and food prices masked concerns. It noted, "Risks to the outlook are heavily skewed to the downside, with the chances of a hard landing having risen sharply."

IMF forecasts the U.S. economic growth will slow to 1.6% this year from 2.2% in 2022. It expects China's economy to expand 5.3%, up from 4.4% growth last year.

The World Bank revised its 2023 global growth outlook to 2% from a forecast of 1.7% earlier this year. The upward revision was due to an improved forecast for China's economy, which it now forecasts will grow 5.1% this year.

## EPA proposes strict vehicle emissions

EPA proposed sweeping emissions cuts for new cars and trucks through 2032, with tailpipe emission limits so tough they will compel automakers to ensure two out of every three cars and light trucks sold in 2032 are electric. EPA says the new emissions targets for light-, medium- and heavy-duty vehicles beginning with the 2027 model year would avoid nearly 10 billion tons of carbon-dioxide through 2055. Under the proposed standards, electric vehicles could climb to 67% of light-duty and 46% of medium-duty vehicle sales by model year 2032, leading to a projected 56% fleet-average emissions reduction.

## WOTUS blocked in 24 more states

A federal judge blocked EPA's new waters and wetlands protection rule from being enforced in 24 states (West Virginia, North Dakota, Georgia, Iowa, Alabama, Alaska, Arkansas, Florida, Indiana, Kansas, Louisiana, Mississippi, Missouri, Montana, Nebraska, New Hampshire, Ohio, Oklahoma, South Carolina, South Dakota, Tennessee, Utah, Virginia and Wyoming). The preliminary injunction is similar to a ruling in March blocking the rule in Texas and Idaho.

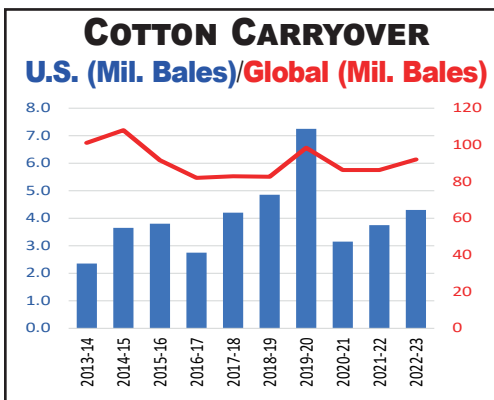
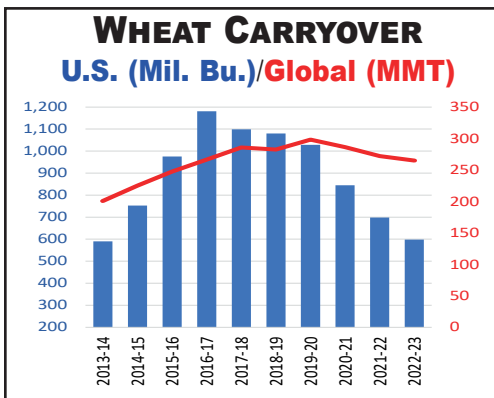
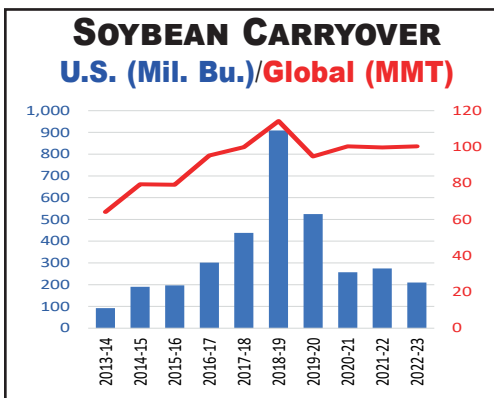
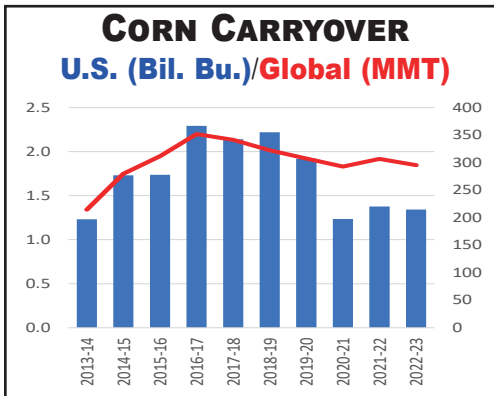
## Renewables key to electricity growth

Renewables are set to dominate the growth of the world's electricity supply over the next three years, according to the International Energy Agency. Together with nuclear power they meet the vast majority of the increase in global demand through 2025, making significant rises in the power sector's carbon emissions unlikely.

More than 70% of the increase in global electricity demand over the next three years is expected to come from China, India and Southeast Asia. China's share of global electricity consumption is currently forecast to rise to a record of one-third by 2025, up from one-quarter in 2015.

# USDA keeps corn, bean carryover unchanged

by Editor Brian Grete



USDA's April Supply & Demand Report didn't feature many changes, though there were some surprises. Corn and soybean stocks were unexpectedly left unchanged from last month, despite March 1 stocks coming in lower than anticipated in USDA's Quarterly Grain Stocks Report. USDA raised wheat ending stocks more than expected, despite not making an adjustment to its export forecast. Cotton ending stocks were unexpectedly lowered.

**CORN** — USDA kept its corn ending stocks forecast at 1.342 billion bu., whereas traders expected a 23-million-bu. cut. USDA cut total supply 10 million bu. by dropping estimated imports that amount (to 40 million bu.). Total use was lowered 10 million bu. by way of a 10-million-bu. cut to estimated food, seed & industrial (FSI) use to 6.68 billion bushels. (Corn-for-ethanol use is included in the FSI total but was unchanged from last month at 5.25 billion bushels.)

Our corn ending stocks forecast is 1.335 billion bu. for 2022-23.

- **USDA 2022-23 price: \$6.60, unchanged from last month; up 60¢ from 2021-22.**

Global corn carryover: 295.4 million metric tons (MMT) for 2022-23, down 1.1 MMT from last month and 11.6 MMT lower than 2021-22.

**SOYBEANS** — USDA left soybean carryover unchanged at 210 million bushels. That was 12 million bu. above the average pre-report estimate. USDA made no changes to the supply- or demand-side of the old-crop balance sheet this month.

Our soybean ending stocks forecast is 185 million bu. for 2022-23.

- **USDA 2022-23 price: \$14.30, unchanged from last month; up \$1.00 from last year.**

Global soybean carryover: 100.3 MMT for 2022-23, up 280,000 metric tons (MT) from last month and 560,000 MT higher than last year.

**WHEAT** — USDA raised projected wheat ending stocks 30 million bu. from last month to 598 million bushels. Traders expected only a 6-million-bu. increase. USDA increased estimated wheat imports 5 million bu. (to 125 million) to push total supplies up by that amount. USDA cut feed & residual use 25 million bu. to just 55 million bushels. It left food use at 975 million bu. and kept its export forecast at 775 million bushels.

Our wheat ending stocks forecast is 585 million bu. for 2022-23.

- **USDA 2022-23 price: \$8.90, down a dime from March; up \$1.27 from last year.**

Global wheat carryover: 265.1 MMT for 2022-23, down 2.2 MMT from last month and now 7.0 MMT lower than 2021-22.

**COTTON** — USDA cut 200,000 bales from its carryover forecast to 4.1 million bales. Traders expected USDA to keep ending stocks unchanged this month. USDA made no change to the supply-side of the balance sheet and increased projected exports 200,000 bales (to 12.2 million bales). While the export forecast is up from last month, it is still 2.42 million bales below last year's tally.

Our cotton ending stocks forecast is 4.3 million bales for 2022-23.

- **USDA 2022-23 price: 82¢, down a penny from March; down 9.4¢ from last year.**

Global cotton carryover: 92.0 million bales for 2022-23, up 860,000 bales from March and now 5.8 million bales above 2021-22.

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**CATTLE - Fundamental Analysis**

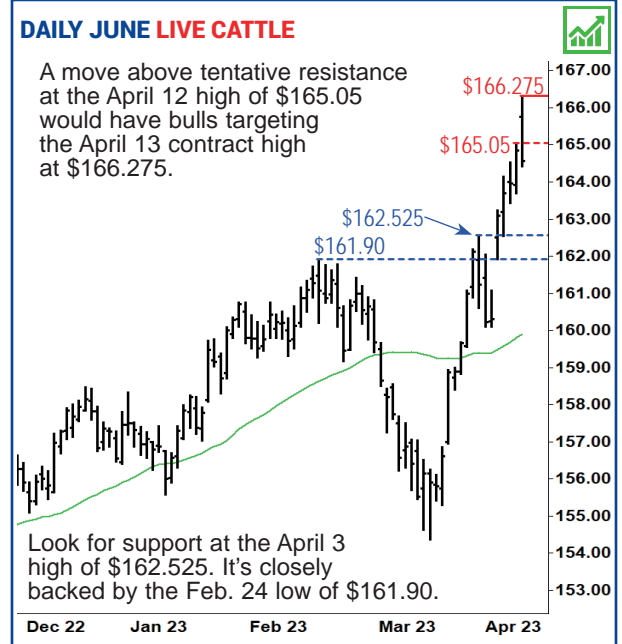
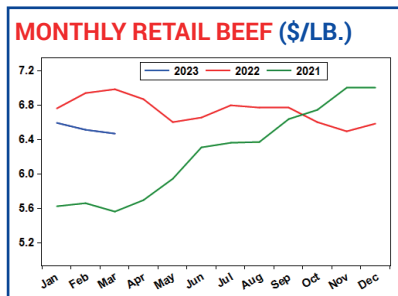
As our research suggested, the cattle and beef supply situation is proving extremely tight, as shown by the price of fed cattle and nearby futures surging to fresh records last week. Wholesale prices have also turned sharply higher, but remain far below the pandemic-driven spike in 2020 and the double-top in 2021. That gives the beef market room to rally. One likely reason these markets are doing so well is robust consumer demand. As the chart shows, retail beef prices continued their 2022 decline through the first quarter of 2023, encouraging consumer offtake. We expect sustained short-term strength.

**Position Monitor**

**Game Plan:** **Feds Feeders**

Traders are	II'23	0%	0%
being con-	III'23	0%	0%
servative	IV'23	0%	0%
	I'24	0%	0%

with futures despite all-time highs in the cash market. Hedges will only be advised after clear signs of a top.



**HOGS - Fundamental Analysis**

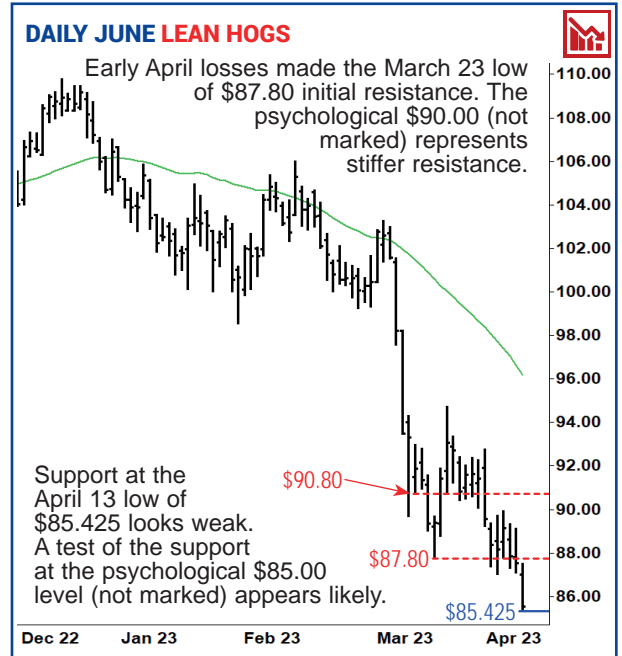
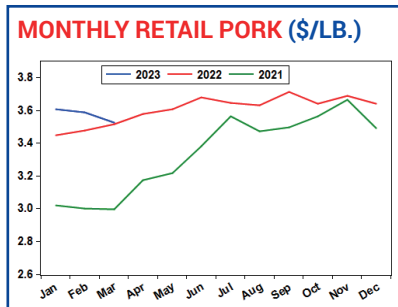
Having the packing industry slow production due to the Easter holiday likely added to downward pressure on hog prices last week. The cash index took out the January low and pork cutout was floundering in the \$75.00 area. Unlike the beef market, we regard weak consumer demand as the underlying issue facing the hog and pork complex. The chart below shows grocers kept pork prices above year-ago levels through the first quarter despite the cash and wholesale weakness. With beef prices soaring, grocers should chop retail pork prices in the coming weeks, which could exaggerate a seasonal cash rally.

**Position Monitor**

**Game Plan:** There is more near-term downside risk in futures until the cash market strengthens. The lower prices go near-term, the stronger the eventual seasonal rally is likely to be.

**Lean Hogs**

II'23	0%
III'23	0%
IV'23	0%
I'24	0%



**FEED**

**Feed Monitor**

**Corn**

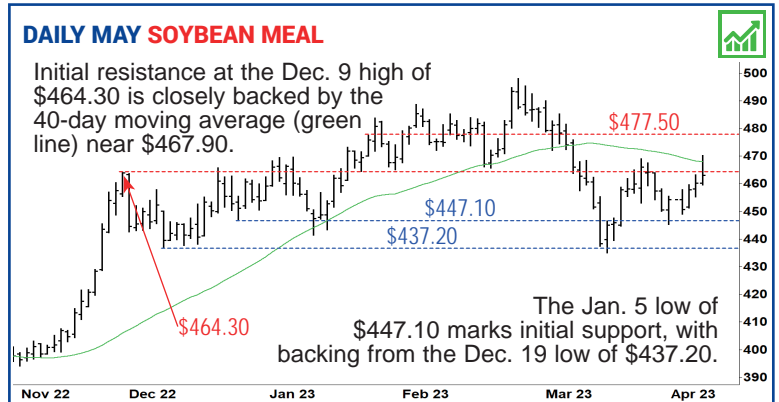
II'23	17%
III'23	0%
IV'23	0%
I'24	0%

**Corn Game Plan:** You should be prepared to go hand-to-mouth on corn-for-feed needs when cash coverage runs out mid-month. We are targeting the \$6.30 level or lower in May corn futures to extend coverage.

**Meal**

II'23	66%
III'22	0%
IV'23	0%
I'24	0%

**Meal Game Plan:** You have all soybean meal needs covered in the cash market through May. We will now wait on an extended price pullback to advance coverage.

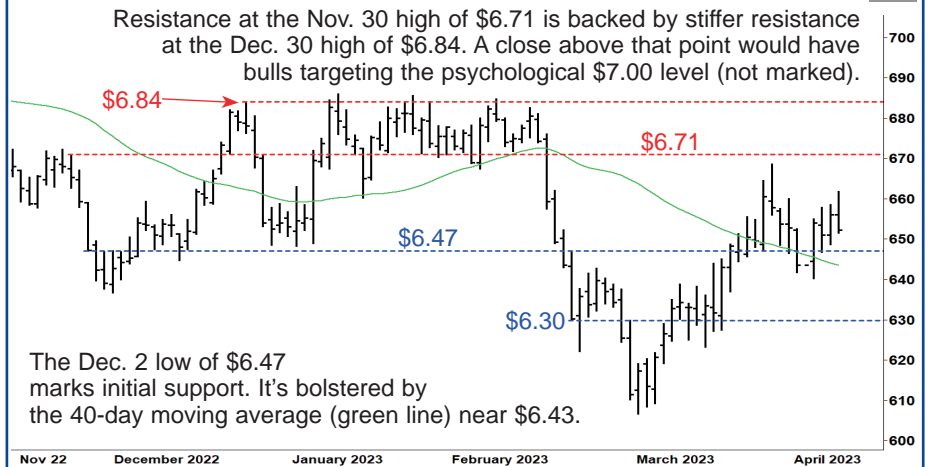


### Position Monitor

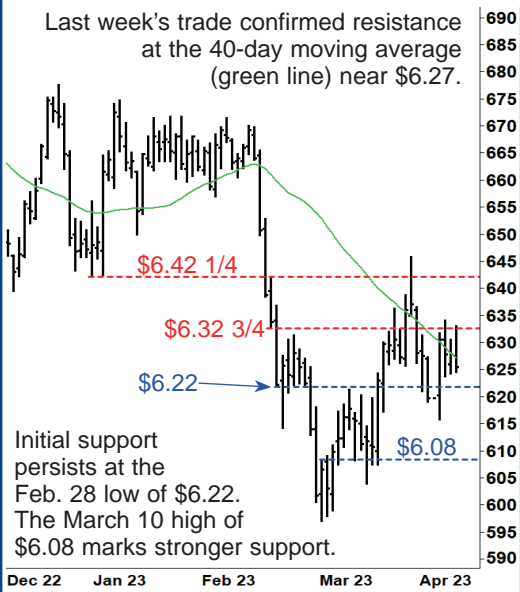
	'22 crop	'23 crop
Cash-only:	65%	15%
Hedgers (cash sales):	65%	15%
Futures/Options	0%	0%

**Game Plan:** Get current with advised sales. Be prepared to increase old-crop sales on a return to the winter highs. We would also likely make additional new-crop sales at that time. It would likely take fresh bullish news to push the market much above that level. We view extended rallies as selling opportunities. April favors bulls seasonally, but barring major planting delays, seasonals then turn bearish.

### DAILY MAY CORN



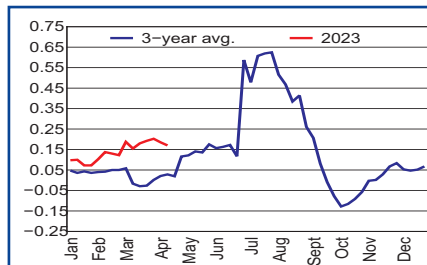
### DAILY JULY CORN



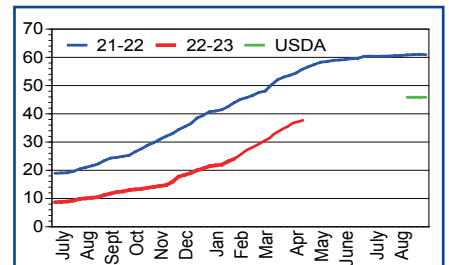
### CORN - Fundamental Analysis

Daily corn export sales to China helped boost old-crop contracts and produced bull spreading in corn futures. Upward revisions to Brazilian crop seemed to put a cap on old-crop corn futures last week, whereas mostly favorable weather for spring planting kept the new-crop contracts under pressure. Southern planting is moving along, but northern Corn Belt farmers are still waiting for soils to warm. Additional bullish export demand news may be required before nearby futures can make a run toward the \$7.00 level, although the U.S. dollar's late downturn may lead to more competitive export quotes. Be prepared to advance sales on a return to the winter highs.

#### AVERAGE CORN BASIS (MAY)



#### CORN EXPORT BOOKINGS (MMT)

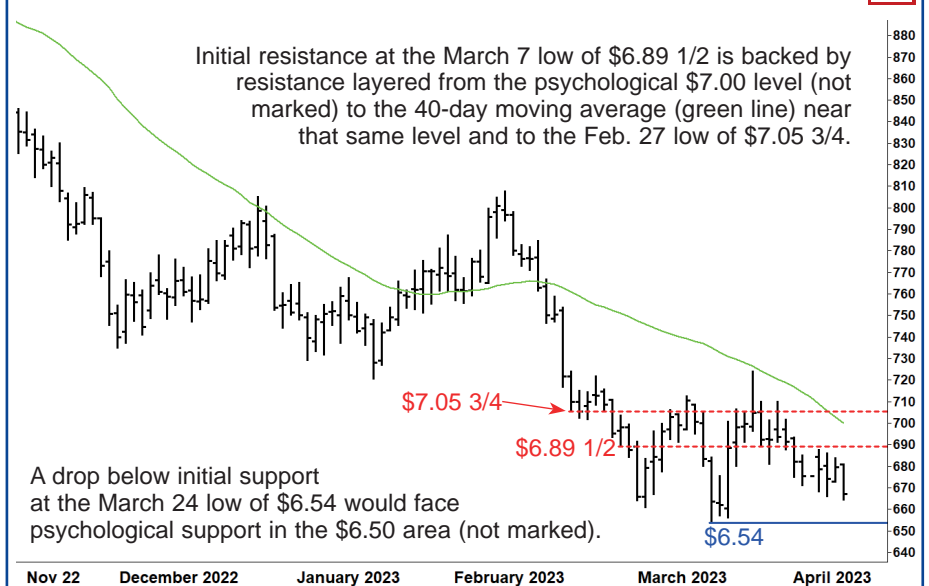


### Position Monitor

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

**Game Plan:** Be prepared to advance sales on an extended corrective rebound. While there are winter wheat crop concerns, it's difficult to find sustained buyer interest during spring – even during the poor years.

### DAILY MAY SRW WHEAT



### WHEAT - Fundamental Analysis

**SRW** – Wheat futures continue struggling despite talk from Russia it won't agree to an extension of the Black Sea export deal beyond mid-May. Sustained U.S. dollar weakness might provide support, but expect looming harvest pressure to persistently act as a drag on prices.

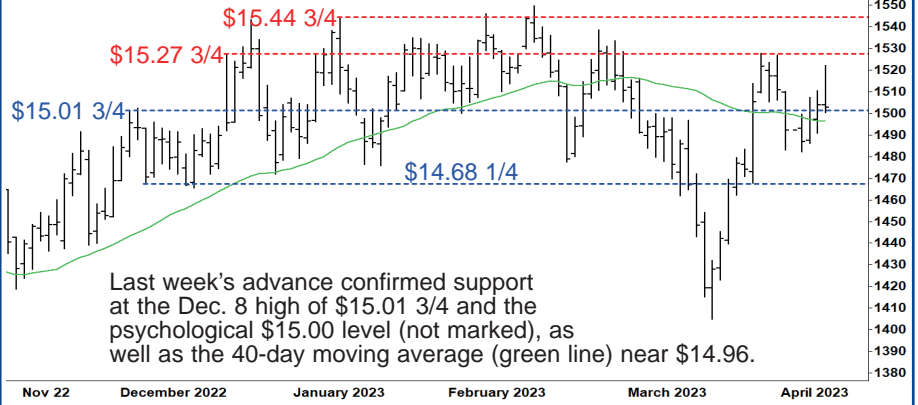
### Position Monitor

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

**Game Plan:** Get current with advised old-crop sales. Be prepared to make additional old-crop sales if the market shows signs of stalling. We'll also make initial 2023-crop sales when we increase old-crop sales. The window for price strength may be limited as Brazilian soybeans are hitting the world market and U.S. demand will wane. After that, it could take a summer weather scare to boost the market.

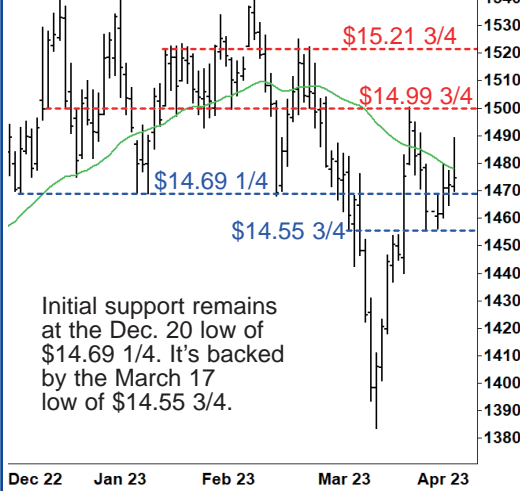
### DAILY MAY SOYBEANS

A close above stiff resistance at the Dec. 27 high of \$15.27 3/4 would face even tougher resistance at the Jan. 18 high of \$15.44 3/4.



### DAILY JULY SOYBEANS

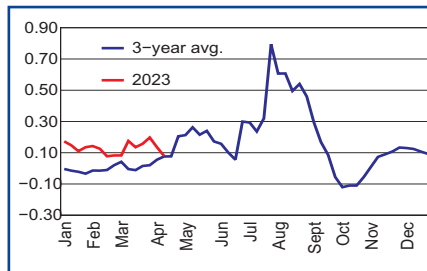
Bulls proved unable to sustain the April 13 move above resistance at the 40-day moving average (green line) near \$14.78.



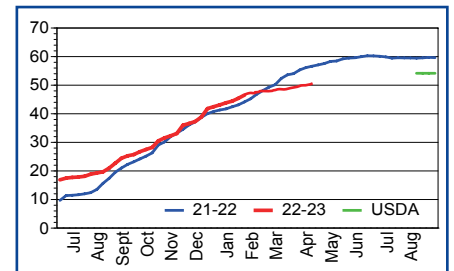
### SOYBEANS - Fundamental Analysis

News that Perdue Farms has contracted for delivery of a cargo of Brazilian soybeans to the U.S. this spring hit the market last week. The contrast between the tight U.S. and glutted Brazilian situations could hardly be more stark. All signs seemingly point to a more liquid domestic outlook, with the May/November bean spread near \$2.00 being one of the most prominent. Still, the long-term U.S. soy situation is likely to remain comparatively tight, especially when viewed in light of the ongoing crush industry expansion, as well as surging production and usage of renewable diesel. Nevertheless, we're looking to increase sales on extended price strength.

#### AVERAGE SOYBEAN BASIS (MAY)



#### SOYBEAN EXPORT BOOKINGS (MMT)



### DAILY MAY HRW WHEAT

The April 11 reversal confirmed resistance at \$8.86 3/4.

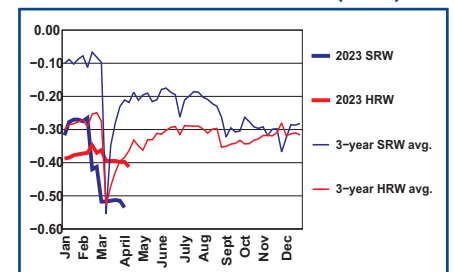


### DAILY MAY HRS WHEAT

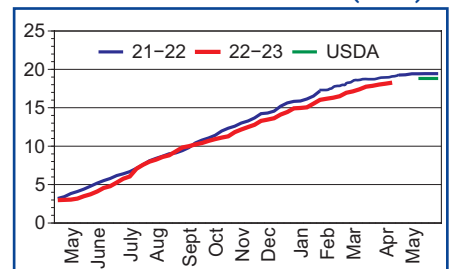
Initial resistance is marked by the March 1 low of \$8.60 1/4.



#### AVERAGE WHEAT BASIS (MAY)



#### WHEAT EXPORT BOOKINGS (MMT)



**HRW** — Poor HRW conditions, especially in Kansas, are worrisome, but the logistic and currency issues faced by the U.S. wheat industry aren't going away. The nearby HRW/SRW spread narrowed last week, suggesting the markets had reached their limit in that regard. Seasonal pressure is likely looming in HRW as well.

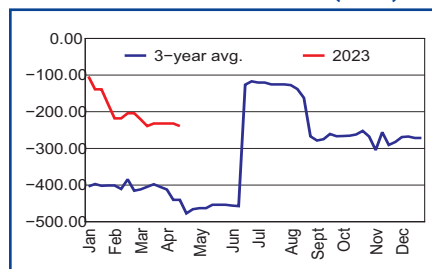
**HRS** — Forecasts for the Dakotas seemed to point to reduced risk of extended Red River flooding. That improved planting prospects and extended the spring breakdown in HRS futures. The drought-stricken HRW crop is likely to produce high-protein grain, which will also reduce the price advantage of HRS wheat this summer.

## Position Monitor

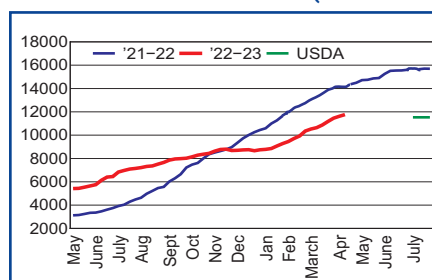
	'22 crop	'23 crop
Cash-only:	70%	20%
Hedgers (cash sales):	70%	20%
Futures/Options	0%	0%

**Game Plan:** Be prepared to increase old- and new-crop sales on a challenge of resistance near the upper end of the sideways range.

## AVERAGE COTTON BASIS (MAY)



## COTTON EXPORT BOOKINGS ('000 BALES)



## COTTON - Fundamental Analysis

Export demand for U.S. cotton remains flat; the latest weekly sales figure fell 41% below the four-week average. Fears of a global recession apparently lie at the root of the problem. December futures near par with May imply little concern over resurgent U.S. production.

## GENERAL OUTLOOK

**MONETARY POLICY:** Minutes from the March 21-22 Federal Open Market Committee meeting showed members project a mild recession starting later this year due to the effects of the recent banking crisis, while a recovery would occur over the subsequent two years.

Members acknowledged unemployment is likely to rise above its "natural rate" early next year, presumably in the midst of the projected recession. The

minutes went on to say that "recessions related to financial market problems tend to be more severe and persistent than average recessions," slightly contradicting the prior statement.

Members concurred that some additional policy tightening may be appropriate, pointing to potential hikes in the future. Currently, futures are pricing in a 70% probability of another 25-basis-point increase in May.

## FROM THE BULLPEN By Market Consultant Dan Vaught

The April 11 USDA Supply & Demand Report left the U.S. soybean crush at 60.42 million metric tons (MMT), as well as exports at 54.84 MMT. Given the report's implications for the global bean and meal situation, those look overly pessimistic.

After having chopped 8.0 MMT from its 2022-23 Argentine soybean crop forecast in March, USDA slashed its April projection another 6.0 MMT to 27.0 MMT. In March it trimmed its 2022-23 U.S. crush estimate by 270,000 metric tons (MT) to 60.42 MMT, while boosting its U.S. export total 720,000 MT to 54.84 MT. But it left both of those figures in April unchanged despite the apparent loss of 14.0 MMT (34%) of the soybean crop of the world's largest meal exporter over the past two months.

USDA cut its April global crush forecast by 4.84 MMT to 315.2 MMT, with the indicated Argentine drop of 2.25 MMT reflecting its domestic production shortfall and a likely surge of bean imports from Brazil. The latter is also seen boosting its crush 500,000 MT and increasing its meal exports just 300,000 MT. We would also point out the department trimmed its total crush estimate for major bean importers by 860,000 MT.

Ultimately, we strongly doubt the global soybean and meal trade will be able to balance the supply/demand imbalance caused by the Argentine drought without a significant rise in demand for U.S. product. This should offer support for prices.

## DAILY MAY COTTON



## WEEKLY US DOLLAR INDEX



## WATCH LIST

- NOPA Soy Crush Report** **MON 4/17**  
Soybean crush for March. 11:00 a.m. CT
- USDA Crop Progress Report** **MON 4/17**  
Historically low HRW ratings. 3:00 p.m. CT
- USDA Export Sales Report** **THUR 4/20**  
Focus is on corn sales. 7:30 a.m. CT
- NWS Extended Weather** **THUR 4/20**  
Forecast for May-June. 7:30 a.m. CT
- USDA Cattle on Feed Report** **FRI 4/21**  
Feedlot numbers keep shrinking. 2:00 p.m. CT

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