



### News this week...

- 2 – Consultant offers first corn, bean crop forecasts.
- 3 – Beef demand strong, pork demand not keeping pace.
- 4 – New farm bill faces many of the same old issues.

**Grain selloff accelerates** – Corn, soybean and wheat futures plunged last week amid a heavy wave of fund-led selling. Front-month corn and wheat futures fell to their lowest levels since July 2022, while soybeans dropped to a one-month low. With traders in full sell mode, a bullish catalyst is needed to stop the selling and put in short-term lows. Typically, that would come from demand that signals prices are “cheap enough.” But export demand, or the lack thereof, has been a major driver of the sharp price plunge. Live cattle traded higher after an initial negative reaction to USDA’s Cattle on Feed Report (see [News](#) page 3), though traders kept futures well below the cash market. Lean hog futures posted strong corrective gains, but the cash index needs to show strength for a sustained rebound.

## China cancels old-crop corn buys

USDA announced daily old-crop corn sales cancellations by China totaling 560,000 metric tons (MT) last week. That was on top of 2022-23 net sales reductions of 64,300 MT to China and 54,700 MT to unknown destinations (China?) during the week ended April 20. With prices much lower than they were when China went on an old-crop buying spree from mid-March to mid-April, we wouldn’t be surprised to see more cancellations.

## EPA allows summer E15 sales

EPA granted a waiver to allow emergency sales of E15 during the summer driving season from June 1 to Sept. 15 in an attempt to tamp down prices at the pump. The waiver for summertime E15 sales will boost demand, though not as much as some believe. It also won’t ease pump prices much. Just over 2,500 stations offer E15 sales. As we’ve repeatedly stated, what’s needed is a permanent waiver for year-round sales to spur investment in E15 pumps.

## Flooding shuts Upper Miss. River

All locks and dams above Lock 17 (New Boston, Illinois) on the Mississippi River are closed for what is expected to be three weeks due to flooding. The Army Corp of Engineers expects the river to be closed as far south as Lock 22 (New London, Missouri) by May 5. Restricted barge traffic will slow grain movement and weaken basis. It will also delay fertilizer movement into the central and northern Corn Belt.

## Plains get rains, Corn Belt will warm

A broad area in the Southern Plains received the best precip since last summer. However, the rains were too late to help the poorest HRW wheat area in the region. Lighter and more scattered rains are possible across the region this week.

Temperatures are expected to trend cooler than normal across the Midwest through early this week before warmer conditions move into the region. Some rainfall is expected in northern Corn Belt, which along with cool temps, will restrict planting efforts.

## Fed’s preferred inflation gauge eases

The Personal Consumption Expenditures (PCE) price index eased to 4.2% above year-ago in March, the lowest since May 2021. Core PCE, minus food and energy prices, dropped to 4.6% annually.

Fed fund futures reflect roughly 90% odds the Fed will raise interest rates another 25 basis points following the May 2-3 monetary policy meeting — and then pause.

### U.S. Q1 economic growth slumps

U.S. gross domestic product increased at a 1.1% annualized rate in the first quarter, down from 2.6% growth in the fourth quarter of last year. Many economists believe the first quarter could be the strongest this year.

## Boozman: Raise reference prices

Sen. John Boozman (R-Ark.), ranking member on the Senate Ag Committee, says reference prices must be updated “or I’m not voting for the farm bill.” See [News](#) pages 2 and 4 for farm bill wants and key issues in writing the new legislation.

## House clears debt-limit measure

The House passed a measure that would raise the federal government’s borrowing limit and cut federal funding by \$130 billion in fiscal year 2024, reverse spending to fiscal year 2022 levels and limit future budget growth to 1% per year. Key for ag: Three of the five biofuel-related tax credits were protected. The other two would grandfather projects with signed contracts or “concrete investment action” undertaken up until April 19. Speaker Kevin McCarthy (R-Calif.) can use the House bill as a baseline negotiating tool in striking a deal with Senate Democrats and the White House.

## USDA begins climate-smart program

Some \$3.1 billion — three times more than originally planned — will be spent on 141 pilot projects to offer incentives that encourage producers to adopt climate-mitigating practices. USDA said 29 projects involving 45 major commodities in the climate-smart program were already active.

## Cordonnier's initial U.S. crop estimates

Crop consultant Dr. Michael Cordonnier forecasts U.S. corn planted area at 91.5 million acres, lower than USDA's March intentions of 92.0 million acres. He noted wet soils, flooding and below-normal temperatures in the northwestern Corn Belt are delaying plantings and could reduce acres. His preliminary yield estimate of 180 bu. per acre is slightly below USDA's trendline of 181.5 bushels. With harvested acres of 83.5 million acres, that would result in production of 15.03 billion bushels.

Cordonnier projects soybean acreage at 88.0 million acres, slightly above USDA's March intentions of 87.5 million acres. He notes the current situation in the northwestern Corn Belt will likely prove difficult for producers to plant all of their intended corn acreage, which increases the chances of higher soybean acres in the region. He forecasts an initial yield of 52.0 bu. per acre, matching USDA's trendline. At 87.1 million harvested acres that would produce a crop of 4.53 billion bushels.

## Corn, bean planting off to quick starts

As of April 23, USDA pegged corn planting progress at 14%, three percentage points ahead of the five-year average. USDA reported corn emergence stood at 3%, one point ahead of normal for the date.

Soybean planting reached a record 9% done, five points ahead of the average pace for the third week of April.

Aside from the far northern states, corn and soybean planting was running ahead of average.

## Spring wheat planting well delayed

Spring wheat planting advanced only two percentage points over the past week to 5% done. That was well behind the 12% five-year average. Top producer North Dakota had seeded only 1% of the crop versus the 6% five-year average.

Spring wheat emergence stood at 1%, two percentage points behind average for the date.

## Winter wheat crop ratings drop

USDA rated the winter wheat crop 26% "good" to "excellent," down one point. The portion of the crop rated "poor" to "very poor" rose two points to 41%.

On the weighted *Pro Farmer* Crop Condition Index (0 to 500-point scale, with 500 being perfect), the HRW crop dropped 3.4 points to a historically low 244.6. The SRW crop slipped 5.0 points to 376.4, though the rating remained above average.

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## Canadian wheat acreage to rise

Canadian farmers intend to plant 27.0 million acres to wheat in 2023, up 1.58 million acres (6.2%) from last year, according to Statistics Canada (StatsCan). Spring wheat area is forecast to rise 7.5% to 19.4 million acres. If realized, Canadian wheat acres would be the highest in 22 years.

Canadian farmers intend to plant 21.6 million acres to canola, up 201,000 acres (0.9%) from last year.

Mike Jubinville with MarketFarm said, "The gain in spring wheat was anticipated given fall delivered prices between \$9.75 to \$10.60... and growers just find wheat a reliable crop to grow. The one surprise I did see in the wheat category is a rise rather than slight decline for durum acres. While canola prices have certainly come well off their highs of a year ago, the return-on-investment potential with canola is still strong enough to maintain acres."

NOTE: The StatsCan acreage survey was conducted from mid-December to mid-January. Jubinville said, "The acreage report does not change my personal view on where Canadian acreage trends are going this year — more canola, wheat and barley/less oats, pulses and durum — but I don't like the change of policy made at StatsCan. I strongly believe there needs to be a March survey."

## Argentine bean crop still shrinking

Cordonnier cut his Argentine soybean crop estimate another 1 million metric tons (MMT) to 23 MMT, citing "very disappointing" yields. He left his Argentine corn crop estimate at 36 MMT, noting that while the growing season has been difficult, corn has fared better than soybeans.

## Ethanol targeting SAF market

The U.S. ethanol industry is lobbying the Biden administration to ensure lower-carbon aviation fuel made from ethanol will qualify for subsidies under the Inflation Reduction Act (IRA). The ethanol industry is asking the administration to use a methodology to calculate emissions developed by the Department of Energy called GREET that shows ethanol to have a lighter carbon footprint as a sustainable aviation fuel (SAF) feedstock than does the methodology prescribed by IRA. That would make SAF made from ethanol eligible for the \$1.25 tax credit.

## EU sets targets for SAF use

The European Union set binding targets for airlines in Europe to increase their use of SAF to kickstart a market for green fuels and cut the aviation sector's carbon footprint. Fuel suppliers must ensure that 2% of fuel made available at EU airports is SAF in 2025, rising to 6% in 2030, 20% in 2035 and gradually to 70% by 2050. From 2030, 1.2% of fuels must also be synthetic fuels, rising to 35% in 2050. The EU also approved sweeping changes to its carbon trading scheme and emissions laws.

## Farm bill wants all over the place

The only consensus about what should be changed in writing a new farm bill is agreement that safety net programs be improved (and crop insurance be protected). But commodity group reps were all over the map as to how during a hearing by a House Ag subcommittee. Suggestions included:

- Voluntary updating of base acres, including the frequent topic of how to get base for some producers who are beginning farmers and others who have altered recent plantings.
- Most opposed setting farm program payments on planted acres versus base acres as is currently the case.
- Increasing reference prices and/or modifying the escalator. National Corn Growers Association President Tom Haag noted the statutory reference price for corn at \$3.70 is considerably below what he said was a \$5 breakeven price. FAPRI estimates the effective reference price for corn will rise to \$4.01 in 2024 for corn and hit \$4.25 by 2026. But some said an across-the-board hike in reference prices may not be needed.
- Timing of reference price increases was also called into question. A wheat producer noted increases in reference prices due to the escalator provision happen well after market prices have dropped and growers need help, especially with rising costs of production.
- Some groups want increases in marketing loan rates.
- A commonsense acknowledgement by one witness that the decision each year to pick ARC or PLC is simply not worth the time, especially if others must agree with the decision. The suggestion: Make payments from whichever program provides growers with the most money in a given year. This would come at a cost that no one detailed.
- Rice growers again stressed that unlike other major commodities recently, rice did not see the price runup but faced sharply rising costs of production.
- Cotton growers pushed lawmakers to allow them to participate in PLC, even if they also purchase a supplemental insurance product, known as STAX. Currently, cotton farmers aren't allowed to enroll acreage in both STAX and PLC. Removing that restriction "would allow growers to better tailor their risk management options," said Shawn Holladay, a Texas producer who chairs the National Cotton Council.

**BOTTOM LINE:** No one is willing to openly say this, but it may be time to simply start all over and construct totally new safety net programs to better reflect current conditions and create more flexibility for farmers.

## Senate clears CRA; it will be vetoed

The Senate cleared a Congressional Review Act (CRA) resolution that would overturn EPA's rule limiting nitrogen oxide emissions from heavy trucks. President Joe Biden pledged to veto the measure and the Senate vote was considerably shy of the two-thirds majority needed to override any veto.

## Placements drop less than expected

USDA estimated there were 11.612 million head of cattle in large feedlots (1,000-plus head) as of April 1, down 533,000 head (4.4%) from year-ago. Though that was 112,000 head more than the average pre-report estimate implied, it was the smallest April 1 inventory since 2017 and the seventh straight month of year-over-year declines. March placements declined 0.6% from last year, whereas traders anticipated a 5.2% drop. Marketings were a little lighter than expected at 1.2% below March 2022.

Cattle on Feed Report	USDA actual (% of year-ago)	Average estimate
On Feed April 1	95.6	95.0
Placed in March	99.4	94.8
Mktd in March	98.8	99.1

**PERSPECTIVE:** The placements figure means market-ready supplies will be a little larger than previously expected during the second half of the year. But feedlot supplies will continue to tighten.

## Demand signals from meat stocks

USDA's Cold Storage Report implied beef demand remained more than adequate, while pork demand failed to keep pace given the higher-than-expected production.

March beef stocks totaled 480.9 million lbs., down 19.3 million lbs. (3.9%) from February, which exceeded the five-year average decline of 7.0 million lbs. during the month. Beef stocks declined 54.9 million lbs. (10.3%) from the March 2022 record and 6.5 million lbs. (1.3%) from the five-year average.

Pork inventories at 533.9 million lbs. rose 12.7 million lbs. (2.4%) during March versus the five-year average decline of 12.9 million lbs. for the month. Pork stocks increased 47.9 million lbs. (9.9%) from year-ago but were still 20.7 million lbs. (3.7%) under the five-year average.

Chicken breast meat inventories at 233.2 million lbs. were record-large for March. While down 11.9 million lbs. (4.9%) from February, chicken breast meat stocks jumped 65.9 million lbs. (39.4%) from March 2022.

## USDA continues to lower food prices

USDA now forecasts food prices will rise 6.5% in 2023 (range of 4.9% to 8.2%), down from an expected 7.5% increase last month. The cut came mostly from a lower forecast for food-at-home (grocery store) prices, which are now expected to rise 6.6% (range of 4.4% to 8.8%), down from the 7.8% jump projected last month. USDA trimmed its food-away-from-home (restaurant) forecast to 8.2% (range of 7.3% to 9.0%), down from 8.3% last month.

USDA projects prices will rise 17.8% for eggs, 2.8% for poultry and 4.9% for dairy. Beef and veal prices are forecast to decrease 0.5%, with pork prices predicted to drop 2.0%.

USDA projects wholesale prices will rise 3.6% for beef. Wholesale prices are expected to decline 4.8% for pork, 9.8% for poultry and 5.9% for dairy.



# New farm bill faces old issues

By Washington Policy Analyst Jim Wiesemeyer and Editor Brian Grete

Uncertainty prevails when talking about timing and details of a possible new farm bill.

## Will there be a new farm bill this year?

Most of our sources say no. Some say the Senate will clear a bill this calendar year, but not the House. Others predict a one-year extension of the 2018 Farm Bill.

## What are the hurdles for a new farm bill this year?

(1) Not knowing whether additional funding is available beyond the farm bill baseline; (2) A push by Republicans for altering work requirements for food stamps (SNAP).

## What crops need a new farm bill?

Former House Ag Chairman Collin Peterson (D-Minn.), now a consultant, told us peanuts and rice need a new farm bill the most. Reason: Both crops have seen their cost of production rise but lacked a corresponding price increase like other commodities.

## Will a new farm bill get done in 2024?

Not unless the lingering issues we noted above are resolved. If not, Peterson says a second one-year extension is likely unless major commodity prices crash, which he defined as \$3 corn and \$9 soybeans. Then, he said, pressure to get a farm bill done would rise after a still-likely one-year extension.

## Can funding be found to improve the Title 1 safety-net?

Some are looking to transfer funds into the farm bill originally earmarked for other purposes, including climate programs. Of the \$28 billion in conservation funding in the Inflation Reduction Act, Sen. John Boozman (R-Ark.) says committee staff is working on how that spending could be integrated into the farm bill. That could occur if Congress rescinds the conservation spending in the IRA and then brings that spending into the farm bill — not an easy task.

Another possibility is to get Budget panel permission to increase the farm bill baseline to reflect a portion of the billions of dollars paid out in ad hoc disaster programs. But Peterson says lawmakers always push for disaster aid because it's off budget, though it shouldn't be since there is always a disaster. A permanent disaster program would hurt crop insurance.

## Should food stamps be delinked from the farm bill?

Absolutely not based on our sources and reporting on 11 of the 19 farm bills, including the current one. Reason: If food stamps are unhitched, suburbanite and urbanite lawmakers may find it easier to vote against a farm bill.

## Any chance of getting more ag research funding?

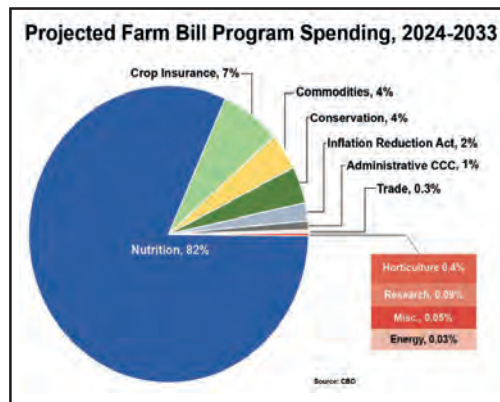
There is a push for more because, as the farm bill spending chart shows, ag research is way down on the list of spending levels. The Association of Public and Land-grant Universities and more than 300 agriculture groups called on farm bill leaders to support \$5 billion in mandatory

funding for the Research Facilities Act in the bill. In a letter, the group says around 70% of the agriculture research facilities at colleges and universities are at the end of their useful life.

## What about livestock producers?

The 2018 Farm Bill maintained livestock disaster programs and provided \$300 million over 10 years for animal disease prevention, including a vaccine bank. As of February, CBO estimated \$5.6 billion in livestock disaster aid over the next 10 years.

Also, the Bipartisan Budget Act of 2018 eliminated the livestock insurance spending cap. Since then, liability policies surged to more than \$21 billion in 2022, a 4,000% increase in just five years. New policies are now available that provide revenue coverage for weaned calves for cow-calf producers.



## Answers to other key questions

- An effort will be tried for a voluntary update to base acres. Payments will be set on base acres and not plantings, as is currently the case.
- The sugar industry usually frets about potential efforts to reduce or eliminate their program. That usually is pushed via amendments offered in Congress. The sugar industry soundly defeated such efforts during the last farm bill debate.
- Congress writes the farm bill, not the executive branch, so USDA and Secretary Tom Vilsack won't play a major role. USDA provides advice and other technical support in the process. Its major role comes after a new farm bill is passed via implementing the provisions.

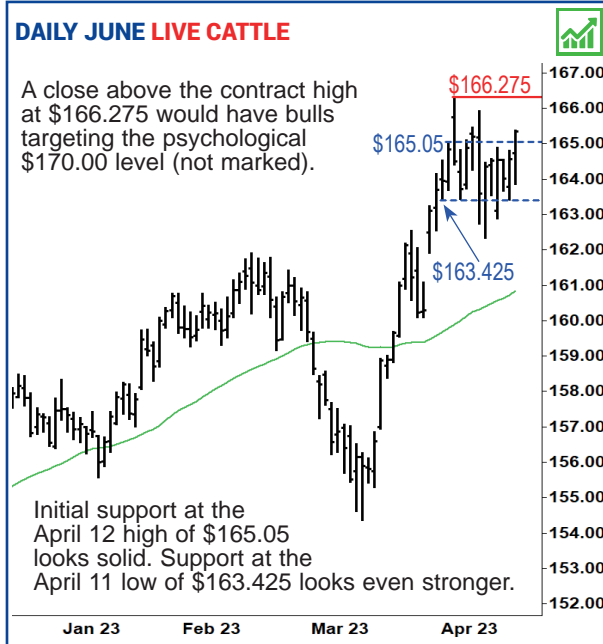
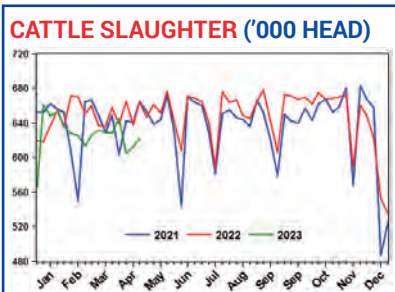
**CATTLE - Fundamental Analysis**

Early 2023 cattle slaughter has reflected the tightness of market-ready supplies, with Easter cutbacks pulling the weekly kill to a fresh low. Total slaughter is likely to rise seasonally, but it seems clear U.S. beef production is going to remain relatively low through at least Memorial Day. The increased slaughter percentage of calf-fed animals placed last fall won't greatly alleviate the situation. The resulting shortage of Choice-grade beef might cause a repeat of the spring 2021 surge above \$340.00, which in turn could power belated cash cattle gains. We recommend against hedging in these circumstances.

**Position Monitor**

<b>Game Plan:</b>	<b>Feds</b>	<b>Feeders</b>
Futures are	II'23 0%	0%
trading well	III'23 0%	0%
below the	IV'23 0%	0%
	I'24 0%	0%

cash market despite bullish fundamentals. Continue to carry risk in the cash market.



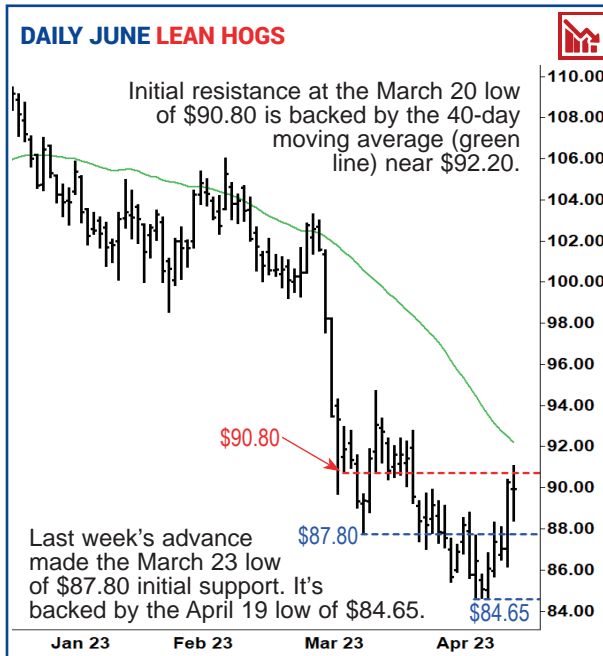
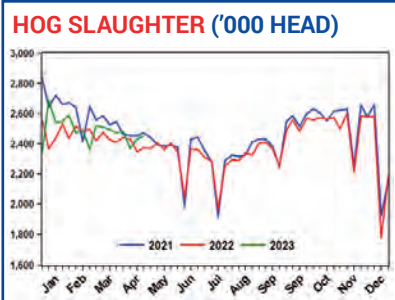
**HOGS - Fundamental Analysis**

USDA's March Hogs & Pigs Report implied hog slaughter would align with the year-ago rate from mid-April through summer, but early-April kills averaging 3.3% over year-ago levels suggest supplies will continue running well above expectations. The Cold Storage Report confirmed March demand, especially for hams, remained extraordinarily weak. We still think surging wholesale beef prices will cause grocers to shift their features toward pork in the coming weeks, potentially triggering an outsized rally in cash hog and pork values, particularly if forthcoming kills fall back to spring 2022 levels.

**Position Monitor**

<b>Game Plan:</b>	<b>Lean Hogs</b>
seasonal recovery	II'23 0%
in the cash hog	III'23 0%
market remains	IV'23 0%
	I'24 0%

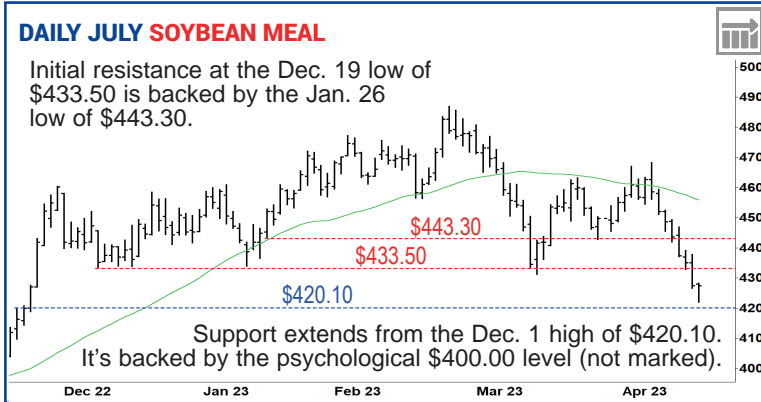
delayed. Once the market bottoms we expect a strong price rebound to the summertime high.



**FEED**

**Feed Monitor**

<b>Corn</b>		<b>Corn Game Plan:</b> On April 26, we advised covering all corn-for-feed needs in the cash market through mid-May. Our target for extending coverage would be a drop below \$5.80 in July futures – or signs of a low.
II'23	50%	
III'23	0%	
IV'23	0%	
I'24	0%	
<b>Meal</b>		<b>Meal Game Plan:</b> You have all soy meal needs covered in the cash market through May. We will wait until the market signals a low before extending coverage.
II'23	66%	
III'22	0%	
IV'23	0%	
I'24	0%	



### Position Monitor

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

**Game Plan:** Wait on a corrective rebound to get current with advised sales, though there could be more near-term price pressure. Wait on an extended push higher to increase old-crop sales and make additional new-crop sales. Barring a spring/summer weather scare, price rallies will be limited unless demand improves. You should view extended price rallies as selling opportunities for old- and new-crop.

### DAILY JULY CORN



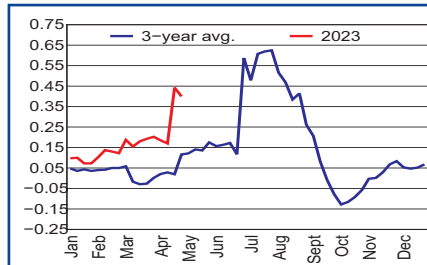
### DAILY DECEMBER CORN



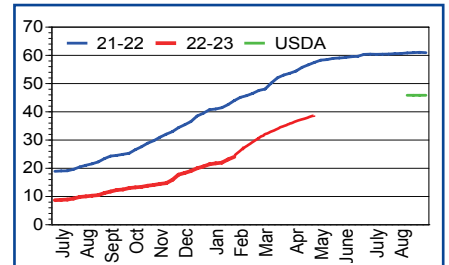
### CORN - Fundamental Analysis

Just as the corn market's strong March advance was powered by repetitive daily export sales announcements, the late-April breakdown was triggered by reports of sales cancellations. Daily cancellations by China totaled 560,000 metric tons (MT) last week. And while the latest weekly export sales figure at 400,000 MT marked a big week-to-week increase, it fell 28% below the four-week average. The resulting pressure on old-crop futures was complimented by sizeable new-crop losses as well, with weather mostly favorable for spring plantings across the Corn Belt. The sharp price drop must spur fresh demand to put in a low or the upside will be limited.

#### AVERAGE CORN BASIS (JULY)



#### CORN EXPORT BOOKINGS (MMT)

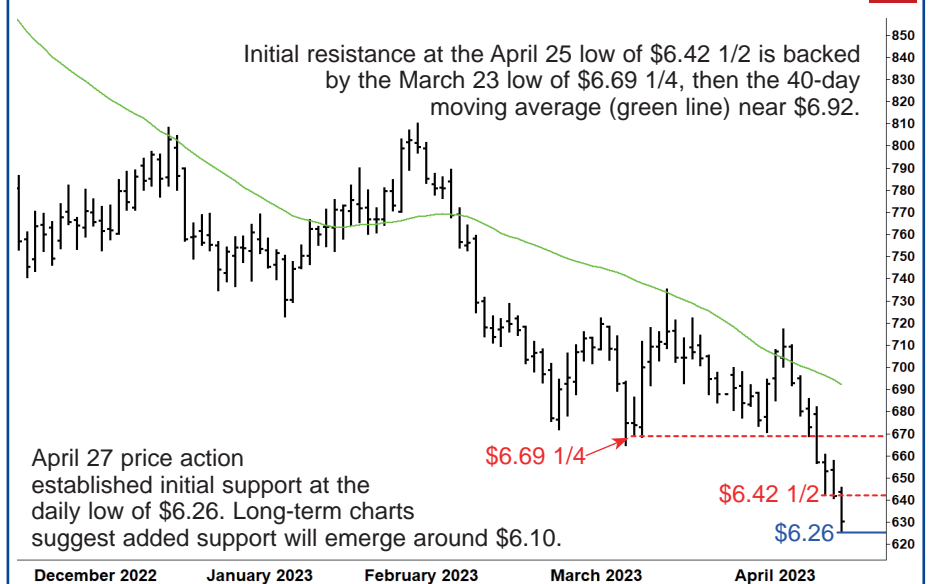


### Position Monitor

	'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 overdue corrective rebound. While there are HRW wheat crop concerns, it's difficult to find sustained buyer interest during spring – even during the poor years.

### DAILY JULY SRW WHEAT



### WHEAT - Fundamental Analysis

**SRW** – Reduced corn export prospects amplified pessimism on the wheat front last week, while improved weather forecasts undercut new-crop hopes. Seasonal pressure seems likely to reign in the short run, but all three wheat markets, as well as corn, are technically oversold.

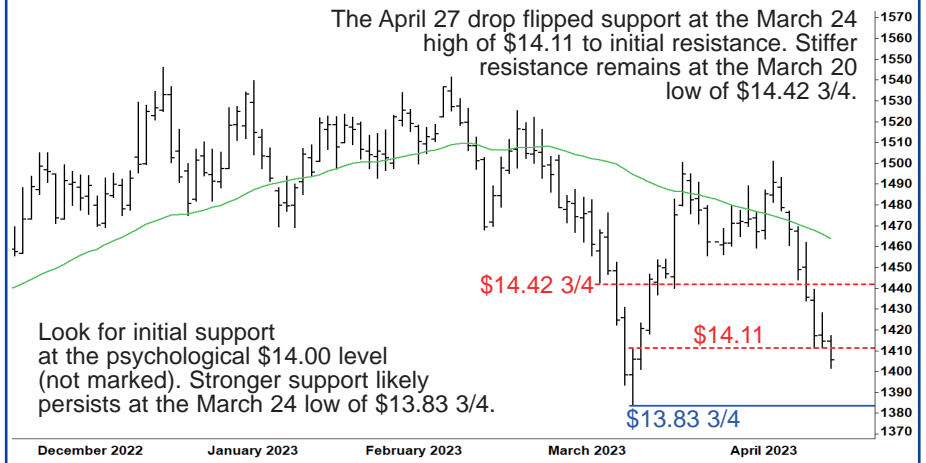


### Position Monitor

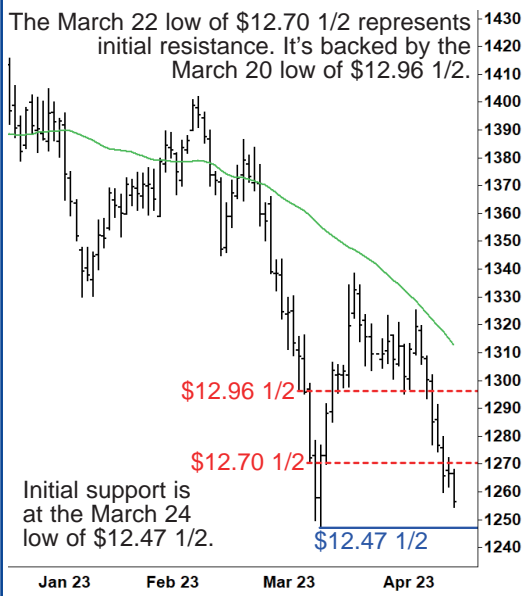
	'22 crop	'23 crop
Cash-only:	70%	0%
Hedgers (cash sales):	70%	0%
Futures/Options	0%	0%

**Game Plan:** Wait on a corrective rebound to get current with advised sales, though there could be more near-term price pressure. Wait on an extended push higher to increase old-crop sales. We'll also make initial 2023-crop sales when we increase old-crop sales. With the record Brazilian soybean crop being exported onto the world market, price rallies should be viewed as selling opportunities.

### DAILY JULY SOYBEANS



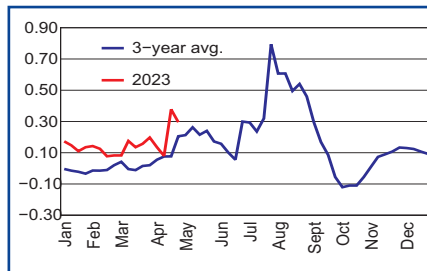
### DAILY NOVEMBER SOYBEANS



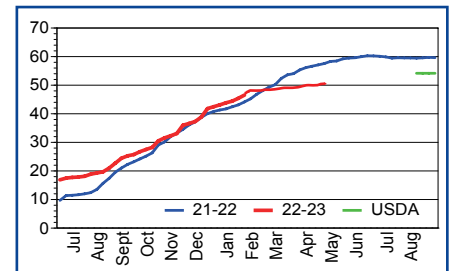
### SOYBEANS - Fundamental Analysis

Additional cuts to Argentina's soybean crop estimate failed to attract buyer interest as that news of the poor crop is already known. That seemingly rendered soybeans vulnerable to weakness spilling over from the grains. Bulls weren't helped by favorable spring planting conditions, especially USDA's estimate of a record bean plantings pace of 9% complete for the third week of April. The record Brazilian soybean crop and China's expected commitment to that country also bode ill for spring/summer export prospects. Seasonally slowing export demand and a record soybean planting pace will make it difficult to attract sustained buyer interest.

#### AVERAGE SOYBEAN BASIS (JULY)



#### SOYBEAN EXPORT BOOKINGS (MMT)



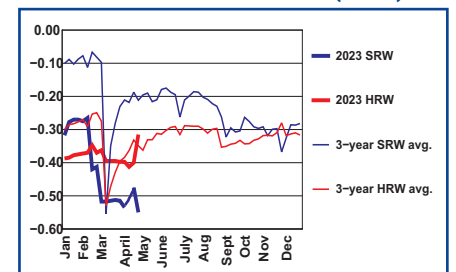
### DAILY JULY HRW WHEAT



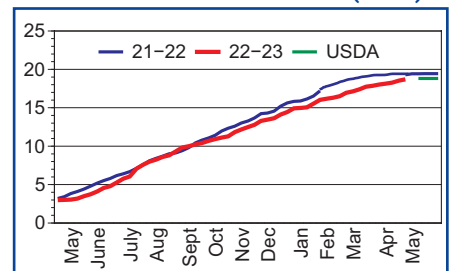
### DAILY JULY HRS WHEAT



#### AVERAGE WHEAT BASIS (JULY)



#### WHEAT EXPORT BOOKINGS (MMT)



**HRW** – While USDA's ratings for the HRW crop have fallen to historically low levels, last week's rains over the Southwestern Plains undercut prices. Having the U.S. dollar surge from an apparent double-bottom last week also hurt export prospects. Still, the recent \$1.00-plus drop in prices seems likely to spur renewed buyer interest.

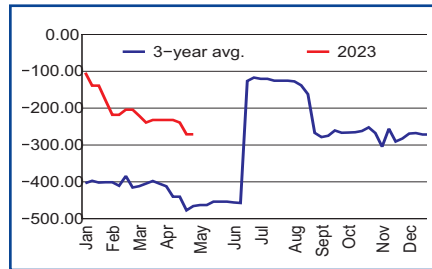
**HRS** – The latest reports suggest the Red River crested near Grand Forks, North Dakota last week, so fears of severe flooding may not be fulfilled. Moreover, news of a likely 7.5% rise in Canadian HRS plantings this spring sent futures tumbling. But, as with HRW, big price losses seem likely to translate into improved demand.

## Position Monitor

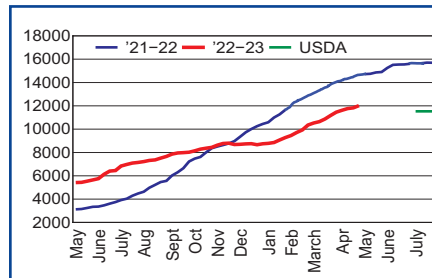
	'22 crop	'23 crop
Cash-only:	70%	20%
Hedgers (cash sales):	70%	20%
Futures/Options	0%	0%

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

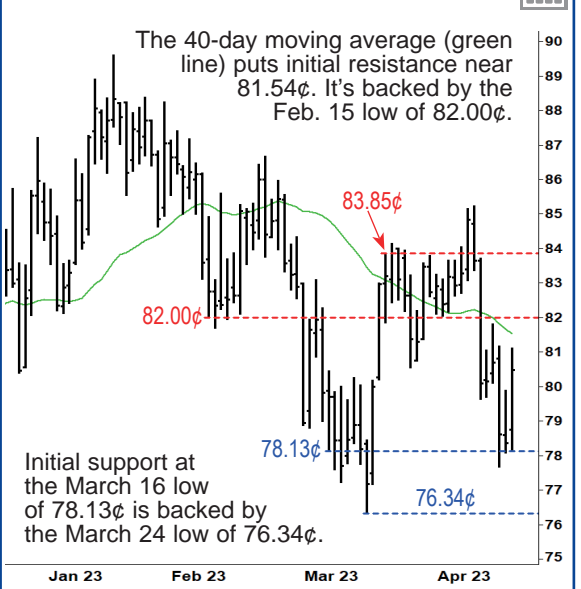
## AVERAGE COTTON BASIS (JULY)



## COTTON EXPORT BOOKINGS ('000 BALES)



## DAILY JULY COTTON



## COTTON - Fundamental Analysis

With cotton plantings ahead of average and recent rains in Texas, there are few new-crop concerns. Export sales surged in mid-April and weekly shipments are strong, but the market still faces significant demand uncertainty and macroeconomic concerns.

## GENERAL OUTLOOK

**ENERGY:** Distillate (diesel/heating oil) prices are presently around half of what they were one year ago. Prices began their overall decline last fall when comparatively warm weather cut demand for heating oil. A freight-hauling slowdown has added pressure and heightened concerns about an impending U.S. economic recession.

Wholesale diesel futures fell to \$2.41 per gallon last week, down dramatical-

ly from a high of \$5.86 last April. However, farm diesel prices have risen 21¢ during the past two weeks to a Midwest average of \$3.46.

Knight-Swift Transportation Holdings Inc. and J.B. Hunt Transport Services Inc. recently reported quarterly revenue declines, citing reduced shipping demand. "Simply stated, we're in a freight recession," J.B. Hunt President Shelley Simpson said.

## WEEKLY NEARBY DISTILLATE FUTURES (\$/GAL.)



## FROM THE BULLPEN By Market Consultant Dan Vaught

April is proverbially the cruelest month, but May is also a rough month for the crop markets. Since 2010, nearby corn, soybean and wheat futures have rallied just five times, three times and four times, respectively, during the month of May. The size of the corn and wheat gains and losses during May of the 13-year period are roughly even, whereas the mean soybean rise of 5.2% exceeds the average loss of 3.3%. Cotton is also vulnerable during May, having rallied just three years and declining 10 times in the study period. The mean size of the losses easily exceeded the gains. History does suggest the unusually low stocks-to-use ratios for corn and soybeans will mitigate the tendency this year.

April 2023 seems destined to mark just

the twelfth time since 1980 in which nearby futures for the three markets suffered unanimous losses. *Does this presage more of the same during May?*

The numbers for soybeans and wheat in May of the indicated years result in a virtual toss-up. Nearby beans rose six times and fell five times, with the gains in the up years averaging 40.4¢ and a mean loss of 24.2¢. Wheat advances in the five up years averaged 25.6¢, whereas declines in the six down years averaged 7.8¢. In contrast, corn has tended to rebound in the 11 similar years. Nearby futures rebounded nine times in those years, posting an average rise of 15.5¢. It continued declining in just two instances, suffering a mean loss of 10.4¢.

## WATCH LIST

- 1 USDA Soy/Grain Crush Rpts.** **MON 5/1**  
Crush data for March. 2:00 p.m. CT
- 2 USDA Crop Progress Report** **MON 5/1**  
Historically low HRW ratings. 3:00 p.m. CT
- 3 FOMC Meeting Concludes** **WED 5/3**  
Another 0.25% rate hike expected. 1:00 p.m. CT
- 4 USDA Export Sales Report** **THUR 5/4**  
Soybean sales slowing seasonally. 7:30 a.m. CT
- 5 U.S. Ag Trade Data** **THUR 5/4**  
Exports, imports for March. 9:30 a.m. CT

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