Notes and Observations in International Commodity Markets

25th February 2021

by Guy H. Allen – Senior Economist, International Grains Program, Kansas State University

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MARKETS RALLY, FALL SHARPLY,
ON RUSSIAN INVASION OF THE UKRAINE

GHA – It was one of the most volatile weeks ever. This week financial and commodity markets reacted strongly as Russia’s President Vladimir Putin launched military action in Ukraine.

As of this writing late on Friday, it is being reported that Russian troops are near the Kyiv, the capital of Ukraine and talk is that they will attempt an overthrow of the government. News reports today are also saying that Ukrainian citizens are being armed with rifles and are being told to make Molotov cocktails to fight back against Russian troops. Ukrainian President Volodymyr Zelenskiy pleaded with the international community to do more, saying sanctions announced so far were not enough. There is also talk that if Russia does take over Ukraine, they might start shipping corn and wheat as soon as next week, promising China they will get the Ukrainian grains they are due.

With rumors of a Russia / China alliance and talks that China may try to take Taiwan. This potential situation could easily turn a bad situation into something more dire. On a classic “Buy the rumor, Sell the fact” U.S. wheat, corn and soybean futures retreated on Friday from Thursday's strong rally, before falling back on Friday, but remained on course to post strong weekly gains as Russia’s invasion of the Ukraine raise fears of supply chain disruptions out of the key Black Sea region.

At the height of the rally on Thursday producers started selling and locking in these higher prices, the funds started taking profits ahead of the weekend.

Extreme times lead to extreme price fluctuation and volatility in markets.

Daily price limits for CBOT wheat futures were expanded for Friday's session, after the most-active contract rallied by the maximum limit in Thursday’s previous session. The Ukraine is the breadbasket of the Black Sea, as is the former USSR.

It was a wild week and the-most-active Chicago Board of Trade May wheat contract was down 75 cents, settling at $8.59 ¾/bushel, pulling back after setting new contract highs at $9.60¾, its highest since June 2008.

Wheat's sharp gains over recent days highlighted the market's concern of wheat from Russia being largely sanctioned out of the market. Russia, who acquires a majority of its wheat from the Black Sea origins, said it has sufficient strategic reserves of wheat. Russia, who relies on Russia and Ukraine for about half of its grain needs, has completed its grain purchase ahead of the Ukraine attacks.

CBOT March Corn fell 35½ cent, settling at $6.59½ a bushel, after an eight-month peak on Thursday. March Soybeans dropped 71 cents to $15.90 a bushel, having touched $17.65/bu, the highest since September 2012 on Thursday.

The Ukraine is a major exporter of corn, with China and the European Union among its top buyers. Russia, the world's largest wheat exporter, mainly ships its grain from ports in the Black Sea.

The invasion of Ukraine has also raised concerns over supply of fertilizer from Russia. Exporting and the flow of trade in the Black Sea is seeing the risk of shipping has gone up dramatically. Ocean vessels carrying bulk commodities have been urged to stay out of the Black Sea and the Bosporus Strait after Russia's attack on Ukraine.

Early Thursday morning, Cargill has reported on of its chartered vessels was hit while sailing in Ukrainian waters. As Russian forces attack targets across Ukraine, commodity traders are watching the country's network of infrastructure that is key to supplying gas, grain and steel. Currently everyone is working hard to figure out how the situation will play out in the country and in the important port cities following bombardments and what looks like the beginning of an actual invasion of Ukraine.

Ukrainian authorities have shut down the Port of Odessa. German port operator HHLA decides to close its container terminal and send home employees, and the logistics firm DB Schenker has paused logistics operations in Ukraine.

Ukraine has roughly 600 mbus of corn/wheat/barley to export through August. Approximately one-third of this is to China. The market will be watching closely to see if this supply reaches the export markets.

Now that the long-anticipated invasion of the Ukraine by Russia is now reality, western governments will now be considering a respond. The United States and its European allies will likely pursue sanctions, an effort more easily said than done. While it has been popular to chide Russia and its declining position as a resource-based economy, they now have everyone's full attention. The reality is that Russia is a significant exporter of several critical commodities. Russian exports of large quantities of food, feed and fuel to the world. Russian exports to the countries such as China, Iran and Venezuela, just to name a few, illustrate the double-edged nature of sanctions in the globalized economy, and the challenges that lie ahead.

All the active futures contracts of grain-related commodities were sharply lower Friday, correcting back from Thursday's multi-year highs that were boosted by news of Russia's attack on Ukraine. May corn finished down 34½ cents, May soybeans were...
down 69½ cents and May KC wheat ended down its expanded limit of 75 cents. May Chicago wheat was down 75 cents and May, Minneapolis wheat was down 60 cents. The March U.S. Dollar Index is trading down 0.45 at 96.67. The Dow Jones Industrial Average is up 795.74 points at 34,019.57. April gold is down $36.30 at $1,890.0, May silver is down $0.49 at $24.20 and May copper is up $0.0280. April crude oil is down $1.05 at $91.76, April heating oil is down $0.0450, April RBOB gasoline is down $0.0402 and April natural gas is down $0.155.

Have a good weekend! 😊

Export issues ahead as Russia invades Ukraine
24 Feb 2022 AHDB Market Intelligence - Wheat, maize and sunflower oil exports from Russia and Ukraine face disruption following Russia’s invasion of Ukraine.

Interfax, a Russian media source, reported this morning that commercial ship movements in the Sea of Azov are suspended. Russia controls the Kerch Strait, where the Sea of Azov joins the Black Sea. Both Russia and Ukraine export from the sea of Azov, though most exports are from the Black Sea.

Yesterday, UkrAgroConsult said that shipments from Ukraine were said to be continuing without complications, though enquiries for new business were slowing. The situation is now changing rapidly. There are now reports of shelling in the region of Odesa, which contains several key ports, including the port of Odesa. And Ukraine’s military has reportedly stopped operations at the country’s ports (Refinitiv).

In addition, Ukraine has asked Turkey to prevent Russian ships leaving the Black Sea (Refinitiv). Turkey controls the Bosphorus and Dardanelles straits but has yet to respond to Ukraine’s request. This morning, Refinitiv reported the Russian Transport Ministry as saying Russian ports in the Black Sea are working ‘as usual’.

However, we’re still likely to see disruptions to exports from the region and there are significant volumes of wheat, maize and sunflower oil left to ship this season. Given the importance of Russia and Ukraine to global grain exports and sunflower oil exports, prices for these commodities are rising rapidly.

What could fill the gap?

Stocks in other major exporters are already expected to fall to low levels by the end of this season. This amplifies the global price impact and so, the impact on UK values.

For grains, disruption in exports from Russia and/or Ukraine is likely to push more demand to other major exporters. For wheat, this could be the EU-27 or US. The options for maize are less clear given the issues with South American crops of late.

However, for sunflower oil, Russia and Ukraine were expected to account for 78% of global exports this season. Disruption could mean a need to switch to other vegetable oils. In turn, this would lead to support for rapeseed oil as well as rapeseed prices.

Impact on 2022 farm costs
The escalation may also have impacts beyond the global grain and oilseed trade and prices this season. It could also increase costs for UK farmers for the 2022 crops, through fuel and fertiliser prices:

Fuel prices. Yesterday, Brent crude oil futures (nearby) closed at $96.84/barrel, the highest price since September 2014. The contract is now trading at over $104/barrel (2pm today). Higher crude oil prices are already contributing to paying more at the pump in the UK and will likely lead to a rise in red diesel costs as well.

Fertiliser. Natural gas prices have also jumped up this morning, with the UK nearby futures contract back at its highest levels since just before Christmas. This could push up nitrogen fertiliser prices. Also, Russia is a major exporter of fertiliser products, though its export controls have reduced volumes recently. Yesterday (23 Feb), no sanctions against Russia by the US, UK or EU targeted fertiliser products (Argus Media) but the situation needs to be monitored. Higher prices or reduced supply from Russia would make things more difficult for anyone yet to buy or take full delivery of their fertiliser.

Cargill says a ship it chartered was hit in the Black Sea
24 Feb 2022 Bloomberg - A ship chartered by Cargill Inc. was hit while sailing in Ukrainian waters in the Black Sea and is currently sailing south to Romanian waters to receive assistance, the U.S. agricultural trading giant said.

“The vessel and all crew are safe and accounted for,” Cargill said Thursday in a statement.

The attack is the first confirmed instance of physical damage related to commodity trading in the region. Ukraine and Russia together account for more than a quarter of the global trade in wheat and about a fifth of corn. That trade has been thrown into chaos after Ukraine’s ports closed in the wake of Russia’s invasion of the country.

Cargill didn’t confirm the name of the vessel. Istanbul-based YA-SA Holding said earlier that Yasa Jupiter, a Marshall Island-flagged ship it owns, was slightly damaged by a shell after unloading coal at the Ukrainian port of Odesa. It was unclear whether the ship was deliberately targeted or who fired the shell, and the vessel is heading under its own power to the closest port for a damage assessment, YA-SA said.

Let’s not take our eyes off China
24 Feb 2022 GHA - In the hours following Russia’s invasion of Ukraine nine Chinese aircraft entered Taiwan’s air defense identification zone (ADIZ). Taiwanese air assets were scrambled in response, according to Taiwan’s defense ministry.

The February 24th sortie marked the 13th incursion this month but were well off the last large-scale incursion that occurred in late January when the Chinese military sent 39 aircraft into Taiwan’s ADIZ.

The ADIZ isn’t airspace directly over the island nation, but in the immediately surrounding area where identification, location information, and government control of...
The Chinese Communist Party (CCP) have sent a number of such incursions into Taiwan’s airspace continuously over the past two years in an apparent attempt to intimidate and exhaust Taiwan’s military. These actions highlight the CCP’s stated intent to repatriate Taiwan back into mainland China. The CCP claims that Taiwan, which has been self-governed since 1949, is a breakaway province. Chinese leader Xi Jinping has vowed to “reunify” the island with the mainland, and hasn’t ruled out the use of force in doing so.

The situation also gives addition important to prudent risk management practices. The CCP could inform the CCP’s strategy for a future invasion of Taiwan. Defense and security experts believe that the international response to that crisis could inform the CCP’s strategy for a future invasion of Taiwan.

While the recent activities in Russia and the Ukraine are very supportive of commodity prices, a move by China on Taiwan are likely to have the opposite effect. With China as one of the largest importers of oilseeds, cotton, corn, barley, grain sorghum, and more recently corn; an invasion of Taiwan would likely result in trade sanctions sharply curtailing China’s import of these commodities.

If you believe that Russia and China have agreed the time is right to test the hegemony and global position of the United States and the conviction or its western allies, then the rise of additional conflicts in coming months should be anticipate. A military move by the CCP on Taiwan would likely have a very negative impact on commodity prices, pressuring soybean and corn prices sharply lower in days.

My belief it that the biggest issue restraining the CCP from moving on Taiwan is its large requirement for food and basic commodities to keep its people fed. While you may have disagreements with your trading partners, you will find a way to maintain a amicable relationship.

In these tumultuous and uncertain times, we must keep a watchful eye across a plethora of changing global situations and consider their potential impact.

The situation also gives addition important to prudent risk management practices.

- **Russian Attack Overshadows USDA Outlook**

24 Feb 2022 Chris Clayton - Leaders at USDA on Thursday sought to hold a rational, focused discussion on agricultural commodities, trade and farm conditions as commodity prices spiked, equity markets fell, and the world watched in shock as smoke bellowed from the outskirts of Ukrainian cities with both Russian helicopters and tanks moving into the country.

USDA Chief Economist Seth Meyer's speech at the USDA Ag Outlook Forum -- held entirely online -- reflected the inability overnight to properly factor in the immediate disruption and uncertainty created in the previous 12 hours. Meyer pointed that out as he began his presentation looking at grains, oilseeds, protein outlooks and price projections.

"This doesn't include any of those events last night, obviously," Meyer said. "I think it's quite too early to understand what the first-order effects are on the grain trade, what the secondary effects on energy and on the economy might be. So, we'll talk about those things in a very general sense to kind of provide some background."

Meyer later added in his presentation, "We have an unknown impact of conditions going on in eastern Europe right now."

As Meyer spoke, the Dow Jones Industrial Average fell 800 points quickly in trading before showing some recovery. Crude oil prices topped $100 overnight before dialing back to just under $99 a barrel in front-month trading. Meanwhile, grain prices took off as well. March corn was up 35 cents to over $7.18 a bushel, March and May soybeans each topped $17 a bushel with March going above $17.18 a bushel, and March and May wheat prices were up 50 cents to $9.26-$9.34 a bushel.

As DTN's morning analysis noted on commodities, "The focus appears to be squarely on the Russian invasion of Ukraine, with commodity prices sharply higher, equities sharply lower. Corn and wheat remain limit higher on the prospect that exports from the Black Sea will be interrupted. Crude oil rose above $100 per barrel early on Thursday, impacting world veg oil prices."

Pointing to the challenges of war between Russia and Ukraine, DTN Lead Analyst Todd Hultman offered this perspective: "As far as the market is concerned, the dramatic rise in prices we are seeing is largely a fleeing of the short side of the market, trying to get out of expensive, losing positions in a stressful environment," Hultman said. "That initial reaction is emotional, and it will take time to sort out how this actually changes the flow of commodities in the world."

Hultman noted Ukraine is the world's fourth leading exporter of both corn and wheat. Ukraine is also the world's largest exporter of sunflower-seed oil, an important component of the world's vegetable oil supply. This late in the season and given the two-month warning of possible conflict, much of Ukraine's grain for export has likely shipped, so supplies at risk should be minimal by now.

Hultman added, "We are not far away, however, from spring and the emergence of a new winter wheat crop, which may be difficult to harvest in eastern Ukraine this year, depending on how events unfold.

In a slide capping off his Outlook presentation, Meyer said the agricultural outlook is positive, but uncertainties remain. The last bullet point was the "Russian incursions in Ukraine's Luhans and Donetsk Oblasts, or beyond, remains a key uncertainty," which Meyer noted was now "somewhat dated, as of this morning."

Meyer added, "I think the word incursion seems quite soft when it comes to Russia's action in the Ukraine right now, and we'll continue to keep an eye on that. And again, I'll remind you that when we put this into context, we'll talk about global grain markets, and the impact for producers. The impact for Ukrainians at a local level is obviously much more significant."

Agriculture Secretary Tom Vilsack, following Meyer, only mentioned the "tragic and unsettling Ukrainian situation" in passing during his speech on the outlook for American agriculture. After his speech, he pivoted to a pre-recorded conversation with
an analyst talking instead about China, its government's moves and motives, and market outlook.

Turning to Russia, Hultman added that Russia is a major producer of nitrogen, phosphorous and potash. It is not clear if the West would hit Russia's fertilizer industry with sanctions, but it is possible. Ukraine's neighbor Belarus is the world's second-largest exporter of potash fertilizer and was hit with sanctions from Europe and the U.S. in 2021. Because of ethanol and biodiesel, crop prices are also influenced by swings in energy prices. Crude oil prices have surged to their highest levels in seven years as Russian troops threaten Ukraine. The main concern is Russia may hold back oil production as a lever against any punitive response from the West.

**Ongoing Crisis in Ukraine** - Meyer’s 2022 supply and demand forecast came out just hours after Russia declared war on Ukraine. And as the crisis continues, Meyer acknowledges that the situation is impacting world trade, as well as U.S. commodity prices.

“We do have some concerns with input prices,” says Meyer. “I think that today's [Thursday's] information heightens that concern. Prices are good for producers; we're going through a period now of price discovery for revenue assurance for folks. Crop insurance is at levels not seen in a decade. So, you're tempering some of those input prices with higher output prices as well, too. But this news is not yet digestible. I just don't have a way to determine what's going on.”

So, are USDA’s most recent projections now void due to the crisis in Ukraine? With commodity prices seeing extreme price moves both Thursday and Friday, Meyer says there's just too many unknowns.

“Does it certainly make it a lot broader potential set of outcomes? Yes. But I think we're really going to have to watch how this unfolds, because there's direct effect on grains, there's the secondary effect on energy. There's the third-level effect on sanctions. And I don't think we know enough to know how this is going to play out and how it goes. So, we're going to continue to watch it. I think it just throws the door wider open into where we could end up.”

**Record U.S. agricultural exports in FY 2021**

At more than $172 billion, the total value of U.S. agricultural exports reached a high in fiscal year (FY) 2021. Values are projected to remain elevated in FY 2022 (October–September) with the current forecast at $183.5 billion.

Exports grew in most trading regions, although East Asia (China, Japan, Hong Kong, Taiwan, and South Korea) recently has accounted for the largest share.

Exports to East Asia slipped during the 2010s, from a high of $54 billion in 2014 to a low of $37.7 billion in 2019.

Since 2019, exports rebounded to $61.7 billion in 2021, of which China accounts for 54% and Japan 22%, and are forecast to exceed $66 billion in FY 2022.

Much of the growth in East Asian exports was associated with higher consumption of grains and oilseeds as China rebuilds its pork industry after devastation caused by African swine fever.

**Export value of U.S. farm products by trading regions, 2010–22f**

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**Notes:** 1 = forecast, as denoted by shaded area. Years represent fiscal year, October through September. Dollars are nominal (not adjusted for inflation). *East Asia* refers to China, Hong Kong, Japan, South Korea, and Taiwan. *Southeast Asia* refers to Indonesia, Malaysia, Philippines, Thailand, and Vietnam. *North America* refers to Canada and Mexico. *South America* refers to Brazil, Colombia, Peru, and Venezuela. *European Union* refers to the 27 member nations that do not include the United Kingdom. Source: USDA, Economic Research Service calculations based on U.S. Bureau of Census trade data.

U.S. sales to North American trading partners provided the second largest contribution to U.S. agricultural export growth. Abundant U.S. corn supplies supported the increases in grain and feed exports, especially to Mexico. In 2021, grain and feed exports to Mexico and Canada rose to $11.8 billion.

Agricultural exports to the next largest trading regions—Southeast Asia and the EU, were comparatively flat, with both grain and oilseed exports to the EU down in 2020 and 2021.
The above chart was drawn from data in USDA, Economic Research Service’s (ERS) Outlook for U.S. Agricultural Trade and data in ERS’s U.S. Agricultural Trade Update.

US DOLLAR & FOREIGN EXCHANGE

- **US Dollar Index – Declines Friday on potential Russian-Ukraine talks**

11 Feb 2022 Rich Asplund, Barchart – The dollar index on Friday fell -0.551 (-0.57%). The dollar index Friday posted moderate losses after a report from Interfax that Russia is ready for talks with Ukraine sparked a rally in stocks and curbed the liquidity demand for the dollar. Better-than-expected U.S. economic data Friday limited losses in the dollar.

EUR/USD on Friday rose +0.0068 (+0.61%). EUR/USD on Friday rallied moderately on a report from Interfax that said Russia was ready to send a delegation to Minsk for talks with Ukraine. Friday’s stronger-than-expected Eurozone economic data was also supportive for EUR/USD after Eurozone Feb economic confidence rose +1.3 to 114.0, stronger than expectations of 113.1. Also, German Q4 GDP was revised upward to -0.3% q/q and +1.8% y/y from the previously reported -0.7% q/q and +1.4% y/y.

USD/JPY on Friday rose +0.04 (+0.03%). USD/JPY on Friday posted modest gains as a rally in stocks curbed the safe-haven demand for the yen. Higher T-note yields Friday also undercut the yen. Losses in the yen were limited by Friday’s data that showed the Japan Dec leading index CI was revised upward by +0.5 points to a 5-month high of 104.8 from the previously reported 104.3.

Friday’s U.S. economic data was mostly supportive of the dollar. U.S. Jan personal spending rose +2.1% m/m, stronger than expectations of +1.6% m/m and the biggest increase in 10 months. Also, Jan personal income was unchanged m/m, stronger than expectations of -0.3% m/m. In addition, Jan capital goods orders nondefense ex-aircraft & parts, a proxy for capital spending, rose +0.9% m/m, stronger than expectations of +0.3% m/m and the largest increase in 4 months. Finally, the University of Michigan’s Feb U.S. consumer sentiment index was revised upward by +1.1 to 62.8, stronger than expectations of unchanged at 61.7. On the negative side, Jan pending home sales unexpectedly fell -5.7% m/m, weaker than expectations of +0.2% m/m and the largest decline in 11 months.

The Fed released its semiannual report to Congress Friday ahead of next week’s testimony by Fed Chair Powell to the House and Senate. The Fed said, "it will soon be appropriate to raise the target range for the federal funds rate," citing inflation well above the 2% target and a "strong" labor market. The report was supportive of the dollar.

April gold on Friday closed down -38.70 (-2.01%), and March silver (SIH22) closed down -0.690 (-2.79%). Precious metals Friday settled moderately lower. An Interfax report Friday that Russia is ready for talks with Ukraine sent stocks higher and reduced the safe-haven demand for precious metals. Gold prices were also under pressure Friday from higher global bond yields. A supportive factor for gold is increased demand for gold as an inflation hedge after the U.S. Jan PCE core deflator rose +5.2% y/y, the fastest pace of increase in 38 years. Also, the German Jan import price index rose +26.9% y/y, the largest year-on-year increase in 47 years.

WHEAT

- **China lifts restrictions on Russian wheat imports as prices rise**

China has relaxed restrictions on imports of Russian wheat, a move that could address food security concerns in the world’s second largest economy and ease the impact of Western sanctions on Russia.

The decision to allow imports of wheat from all regions of Russia was made during Russian President Vladimir Putin’s visit to Beijing earlier this month, but the details were only announced by China’s customs administration this week.

Russia is the world’s top producer of wheat. Previously, China had restricted wheat imports from Russia due to concerns about the presence of dwarf bunt fungus — a disease that can cause severe loss of yield for wheat and other crops — in some parts of the country.

China has refused to condemn Russia's attack on Ukraine, instead repeating calls for parties to "exercise restraint" and accusing the United States of "fueling fire" in the region.

The agreement is the latest in a series of deals between Russia and China, and according to experts, it helps both nations. It helps Beijing secure food supplies at a time when global food prices are already near 10-year highs. Wheat futures jumped by about 5% on the Chicago Board of Trade on Thursday after Russia attacked Ukraine, as the two countries account for about a third of global supply. Futures pulled back a little on Friday, but are still up 12% this week.
CME CBOT Wheat Futures

The unparalleled moves seen in the grain markets (and wheat specifically) over the past two days are astonishing but not unexpected. After trading limit up to contract new highs on Thursday, Friday wheat futures were limit down on several contracts today. Referencing the limitless March futures, CME SRW was down 83 cents, with HRW down 76¼, and MGEX down 75½. While some traders might try to outguess the situation in Ukraine, it seems that many others are taking their gain (or loss) ahead of the weekend.

US futures were not the only markets hit today as Paris milling wheat futures also took sharp losses today, closing roughly 25 Euros/mt lower.

The bullish outlook suggests sanctions make the mechanics of doing business more difficult and perhaps port and processing operations get interrupted/ceased. Force Majeure is believed to have been declared on several cargos at this point.


Wheat closed off sharply on Friday giving away Thursday’s gains and more. **CBOT March 2022 Wheat Futures** made new 12 year highs, touching $960¾/bu, before settling on Friday at $8.43/bu, off 83 cents on the day, but gaining 46 cents for the week. The May and July contracts closed limit down in both winter contracts meaning Sunday night/Monday will again see expanded limits of 75c.

The war trade premium appeared to shift to risk off in a mix of technical selling, discussion of diplomatic talks, and indications that global buyers would continue to accept Russian wheat.

The weekly CoT report showed managed money firms were still 18,053 contracts net short in SRW futures and options as of 2/22. That was a 16,605 contract weaker net short.

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**U.S. Export SRW Wheat Values – Friday 25th February 2022**

**SRW Wheat Gulf barge quotes, in cents per bushel basis CBOT futures:**

Changes are from the AM Barge basis report. Source: USDA

Gulf barge/rail quotes, in cents per bushel.

<table>
<thead>
<tr>
<th>CIF SRW WHEAT</th>
<th>2/24/2022</th>
<th>2/25/2022</th>
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</thead>
<tbody>
<tr>
<td>FEB</td>
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Weekly export sales of 19 mbus were above the range of expectations and nearly double the 10 mbus needed to be sold each week to reach USDA’s annual projection. By class, HRW led at 9.9 mbus with HRS at 3.6 mbus, SRW at 2.5 mbus, White at 2.9 mbus, and Durum at 40 kbus. Mexico, Nigeria, SoKor, and Japan were the 2+ mbus buyers. The resulting impact on world trade from the Rus/Ukraine situation is largely conjecture.

The bearish outlook says food/grain trade should not slow exports much as stocks remain accessible.

**CME KC HRW Wheat Futures**

The outlook for the US southern Plains is still mostly dry and remains a bullish factor. While cash wheat buying is likely light over the weekend, extra protection would be justified as Sunday night could again be a wild ride.

---

Kansas March 2022 HRW Wheat Futures settled on Friday at $8.86¾/bu, off 76¼ cents on the day, but gaining 51½ cents for the week. May and July KC wheat futures also closed lock limit down following their limit gains Thursday. The weekly CoT report showed managed money firms in the Kansas City wheat, were shown 40,780 contracts net long in wheat futures and options. That was a 4,730 contract increase from the week prior.

- **U.S. Export HRW Wheat Values – Friday 25th February 2022**

HRW Wheat Texas Gulf Rail quotes, in cents per bushel basis KCBT futures:
Changes are from the AM Barge basis report.

Gulf barge/rail quotes, in cents per bushel.

<table>
<thead>
<tr>
<th></th>
<th>2/24/2022</th>
<th>2/25/2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>FEB</td>
<td>185 / -</td>
<td>185 / -</td>
</tr>
<tr>
<td>APR</td>
<td>185 / -</td>
<td>175 / -</td>
</tr>
<tr>
<td>MAY</td>
<td>180 / -</td>
<td>170 / -</td>
</tr>
</tbody>
</table>

- **MGE HRS Wheat Futures**

MGE March 2022 HRS Wheat Futures made new 14 year highs, touching $11.00/bu. before settling on Friday at $9.60¾/bu, off 77¾ cents on the day, and losing 8½ cents for the week.

The weekly CoT report showed spring wheat specs were 1,715 contracts more net long wk/wk at the settle on 2/22, with a 6,983 contract net long position. Spot basis for both HRW and HRS also weakened, but cash markets were still sharply higher on the week for hard red winter.

White wheat cash bids held mostly steady at $11.00, but basis declined more than a dollar to adjust. Exporter discounts for high pro soft white wheat also weakened this week.

U.S. wheat is still largely non-competitive to global value buyers with good crops in Argentina and Australia.

<table>
<thead>
<tr>
<th>Portland Price Trends</th>
<th>02-01-21</th>
<th>08-01-21</th>
<th>01-01-22</th>
<th>02-18-22</th>
<th>02-25-22</th>
</tr>
</thead>
<tbody>
<tr>
<td>#1 SWW (bu)</td>
<td>7.30</td>
<td>9.25</td>
<td>10.70</td>
<td>11.00</td>
<td>11.00</td>
</tr>
<tr>
<td>White Club</td>
<td>7.45</td>
<td>10.75</td>
<td>12.45</td>
<td>12.75</td>
<td>12.50</td>
</tr>
<tr>
<td>DNS 14%</td>
<td>7.55</td>
<td>10.33</td>
<td>10.78</td>
<td>10.71</td>
<td>10.65</td>
</tr>
<tr>
<td>HRW 11.5%</td>
<td>7.33</td>
<td>8.33</td>
<td>9.81</td>
<td>10.35</td>
<td>10.81</td>
</tr>
<tr>
<td>#2 Corn (ton)</td>
<td>220.00</td>
<td>251.00</td>
<td>276.00</td>
<td>306.00</td>
<td>302.00</td>
</tr>
<tr>
<td>#2 Barley</td>
<td>155.00</td>
<td>200.00</td>
<td>240.00</td>
<td>240.00</td>
<td>260.00</td>
</tr>
</tbody>
</table>

Limit moves across the futures complex made for an interesting week for west coast cash prices, causing sharp bid fluctuations and major adjustments to basis.
Weekly Sales...USDA revealed a sharp rebound in export demand for U.S. wheat over the past week, coming in at more than double the 4-week average with 19 mbus. This places year-to-date commitments at 661 mbus, which stands 24% behind a year ago and 21% off the 5-year average pace.
Hard red winter saw 4.5 mbus in new business, putting sales at 266 mbus which is within 10% of a year ago and 15% below average.
Hard red spring secured 3.6 in bookings to put the tally at 175 mbus, setting 32% behind a year ago and 28% off the five-year pace.
White wheat registered nearly 3 mb in new business to put sales at 116 mbus, which is 49% below last year's record pace and 36% under the five-year average.
Top Buyers - Mexico claimed top buyer honors for the week, booking 5.5 mbus across the three classes of red wheat. Nigeria bought 5.2 mbus of mostly hard red winter, South Korea and Japan both committed to 3.3 mbus of mixed classes and Salvador booked 1.9 mbus of red wheats.
COARSE GRAINS

CORN

GHA – As Russia launched an attack on Ukraine markets are sharply higher but fell back on Friday ahead of the weekend. Corn had quite the rollercoaster ride as the market followed strength in the wheat. An estimated 565 mbus (16%) of global 2021/22 corn exports are at risk the last half of 2021/22 marketing year. Even if Ukraine can produce an average crop in 2022/23, another 600 mbus (22%) of FH 2022/23 shipments are likewise at some level of jeopardy. This demand is very likely to shift to the U.S.

CME CBOT Corn Futures

Source: http://www.dtnigp.com/index.cfm?show=62

Another volatile day in the market. The strong pressure in the wheat market was the trigger for follow through selling in the corn market, as wheat priced traded in nearly a $1.00 trading range and finished the expanded 75 cents limit down to close the week. The corn market was 5% to 5.1% weaker on the last trade day of the week.

CBOT March 2022 Corn Futures makes new contract highs on Thursday, touching $7.18¾/bu, before settling on Friday at $6.59½/bu, off 35½ cents on the day, and gaining 5 cents for the week. The new crop December contract lost 18 cents on the week closing at 5.79¾/bu.

The H/K broke a penny to +3¾ and the K/N was unch at +11¾. The Z/H traded back out to -7.

CFTC data released after the close reflected a 354,436 contract net long spec fund position as of the 2/22 settle. That came as 25,286 newly bought contracts met 3,636 fewer shorts compared to last week. On the commercial side, CFTC showed a 61,517 contract lighter OI wk/wk. Mainly via long liquidation that extended the commercial net short by 35.5k contracts to the most since May at 702,628.

The market is closely watching South American weather and planting pace of the second crop corn in Brazil. Weather looks to be improving, and the large Brazilian state of Mato Grosso is at 84% planted and Brazil has a whole year nearly 2/3 planted. The possibility of a stronger second crop corn in Brazil was likely weighing on Futures prices.

Argentina’s corn crop harvest was 3.2% finished through 2/24 according to BAGE.

U.S. Export Corn Values – Friday 25th February 2022

Corn CIF NOLA Gulf barge/rail quotes, in cents per bushel basis CBOT futures:

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>FEB</td>
<td>100</td>
<td>97</td>
<td>H</td>
</tr>
<tr>
<td>MAR</td>
<td>- / 95</td>
<td>87</td>
<td>K</td>
</tr>
<tr>
<td>APR</td>
<td>93 / 95</td>
<td>87 / 91</td>
<td>K</td>
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<tr>
<td>MAY</td>
<td>80 / -</td>
<td>76 / 83</td>
<td>K</td>
</tr>
<tr>
<td>JUN</td>
<td>-</td>
<td>75 / -</td>
<td>N</td>
</tr>
<tr>
<td>OND</td>
<td>-</td>
<td>73 / -</td>
<td>Z</td>
</tr>
</tbody>
</table>

Weekly export sales for corn were above expectations at 1.041 mmts for 2021/22 and an additional 117,000 mts for 2022/23, which were above expectations. Japan was the top buyer of U.S. corn last week.

The river was a touch softer on firming barge freight; albeit CIF values were hard to come by today.

U.S. cash markets are generally weaker after yesterday’s heavy farmer selling. Rail markets were mixed with some still hard to define and others like the PNW up a nickel at +140K.

NOLA quotes from $285 LW to $297 and PNW $12 higher to $310/ton.

GRAIN SORGHUM

Best Australian grain sorghum crop in seven years

24 Feb 2022  GHA - This year’s Australian sorghum harvest is projected to exceed 2.0 mmts, with some analysts estimated as high as 2.5 mts. The last time Australia produced such a big sorghum crop was in 2014/15, with 2.209 mmts. Australia’s record sorghum crop of 3.790 mmts was in 2007/08.
While Australia's bumper sorghum harvest will attract good export prices, it is struggling to compete for export access, as a second consecutive season of winter crop production has pushed the export channels to capacity.

Along with export slots booked to capacity through June, local market factors include COVID-induced labour shortages, reduced trucking capacity to transport grain, and constrained supply of new trucks and truck part. Other domestic market factors involved a shortage of on-farm storage.

All of this will slow the movement of all commodities through export channels, as well as depressing domestic prices.

**U.S. Export Grain Sorghum Values – Friday 15th February 2022**

CIF NOLA Gulf barge/rail quotes, in cents per bushel basis CBOT Corn futures:

Texas Gulf Rail quotes, in cents per bushel basis CBOT Corn futures:

Changes are from the AM Barge basis report:

<table>
<thead>
<tr>
<th></th>
<th>2/24/2022</th>
<th>2/25/2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>CIF MILO</td>
<td></td>
<td></td>
</tr>
<tr>
<td>February</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>TX FOB VESSEL MILO (USc/MT)</td>
<td>2/24/2022</td>
<td>2/25/2022</td>
</tr>
<tr>
<td>March</td>
<td>225</td>
<td>225</td>
</tr>
<tr>
<td>April</td>
<td>225</td>
<td>225</td>
</tr>
<tr>
<td>May</td>
<td>225</td>
<td>225</td>
</tr>
</tbody>
</table>

**BARLEY**

- **Barley prices to be impacted due to Ukraine conflict**

25 Feb 2022 BL Bengaluru Bureau - The escalating strife between Ukraine and Russia is expected to impact barley prices and this could affect domestic beer companies, which are already reeling under high costs of packaging material.

A United Breweries spokesperson told BusinessLine that the current crisis could lead to inflation pressures and supply-chain disruptions. “We have already been operating in a high inflation environment. We are actively working towards mitigating the impact through a combination of productivity, cost control, optimisation and judicious price increases for which we are in conversations with State governments,” said the spokesperson for the country’s largest beer maker. Barley accounts for 30 per cent of raw material costs for United Breweries.

Ukraine is among the top five global producers of barley, accounting for 18% of global barley exports in 2022.

- **Turkey starts buying feed barley in tender for 255,000 mts**

22 Feb 2022 Michael Hogan, Reuters - Turkey's state grain board TMO has started buying animal feed barley in an international tender on Tuesday with about 150,000 mts initially purchased, European traders said.

The tender sought a total 255,000 mts and more is expected to be bought later on Tuesday.

Purchases in TMO’s tenders are provisional and subject to final confirmation in coming days. Purchases can be cancelled completely. The tender seeks shipment between March 1-31 to a series of Turkish ports.

Supplies already in warehouses in Turkey can be offered in the tender. Dealers say some exporters have made advance shipments to Turkey to escape rises in Russian grain export taxes, which are being increased in stages to conserve Russia's domestic supplies.

Traders said these purchases were made in dollars per tonne C&F or price ex warehouse, with port of delivery, initial estimates of tonnes sold, seller, price and whether supplied from warehouses in Turkey.

The tender continues recent strong grain import demand from Turkey to ensure good domestic supplies after the country’s crops suffered drought damage last summer.

- **Jordan tenders to buy 120,000 mts feed barley**

23 Feb 2022 Michael Hogan, Reuters - Jordan's state grains buyer has issued a new international tender to purchase 120,000 tonnes of animal feed barley, European traders said on Wednesday. The deadline for submission of price offers in the tender is March 1st.
A new announcement had been expected by traders after Jordan made no purchase in its previous tender for barley on Tuesday in which only two trading houses participated.

Shipment in the new tender is sought in a series of possible combinations in 60,000 mts consignments. Possible shipment combinations are between July 16-31, Aug. 1-15, Aug. 16-31 and Sept. 1-15.

A separate tender from Jordan to purchase 120,000 tonnes of milling wheat also closes on Wednesday.

**OATS**

- **CME CBOT Oat Futures**

  ![Oats Chart](http://www.dtnigp.com/index.cfm?show=62)

  CME March 2022 Oats Futures settled on Friday at $6.44¼/bu, off 11¾ cents on the day, and losing 45¼ cents for the week.

**ENERGY**

- **CME WTI Crude Oil – Makes new 8 year highs on Russian rumors**

  ![Crude Oil Chart](http://www.dtnigp.com/index.cfm?show=62)

  NYMEX March 2022 WTI Crude Oil Futures made highs on Thursday, touching $100.54/barrel before settling down on Friday at $91.83/barrel, off 98 cents on the day, but gaining 162 cents for the week.

  For crude oil the wild ride continues as Russia plans to go back to the iron fist and iron curtain days. It is a different world than it was a year and a half ago. Today it looks like the markets are concerned and seeing this war will limit demand.

  The natural gas market is on rollercoaster mode as well. With the closing of Anwar, Keystone Pipeline XL and the attack on pipelines giving Putin more customers as the U.S. handed to Russia on a platter. In addition, waiving sanctions on the Nord Stream pipeline gave Russia control of European energy. These are wrong turns at every intersection. Not only is the Ukraine a player in wheat, corn and oilseed, but are also sitting on a huge untapped natural gas reserve.

- **Crude Prices Fall As U.S. So Far Avoids Energy Sanctions On Russia**

  25 Feb 2022 Barchart - WTI crude oil and RBOB gasoline prices Friday settled moderately lower. Crude prices fell back Friday as geopolitical risks from Ukraine eased slightly on an Interfax report that said Russian President Putin is open to sending a delegation to Minsk for peace talks with Ukraine. Crude oil prices are also under pressure after sanctions from the U.S. and its allies did not target Russian crude exports. Finally, crude prices are being weighed down by comments Thursday from President Biden, who promised to release crude oil from the Strategic Petroleum Reserve in a coordinated move with U.S. allies.
Crude prices Thursday soared above $100 a barrel to a 7-1/2 year high on concerns that global crude supplies could be disrupted after Russia invaded Ukraine. U.S. crude supplies remain tight as Thursday's weekly IEA data showed crude supplies at Cushing, the delivery point of WTI futures, fell -2.049 million bbl to a 3-1/4 year low. Friday's global economic data was mostly better-than-expected and positive for energy demand and crude prices. U.S. Jan personal spending rose +2.1% m/m, stronger than expectations of +1.6% m/m and the biggest increase in 10 months. Also, U.S. Jan capital goods orders ex-aircraft, a proxy for capital spending, rose +0.9% m/m, stronger than expectations of +0.3% m/m and the largest increase in 4 months. In addition, Eurozone Feb economic confidence rose +1.3 to 114.0, stronger than expectations of 113.1. Finally, German Q4 GDP was revised upward to -0.3% q/q and +1.8% y/y from the previously reported -0.7% q/q and +1.4% y/y.

JP Morgan Chase predicted Wednesday that crude oil prices are likely to average $110 a barrel in the second quarter as tensions over Ukraine continue to escalate. A bullish factor for crude was Tuesday's comments from the energy ministers of Iraq and Nigeria, who both said that OPEC+ does not need to accelerate its crude output even if crude prices climb over $100 a barrel. OPEC+ will meet on March 2 to discuss its crude output levels, and the consensus is for the group to raise its crude production by 400,000 bpd in April.

Reduced concern about the spread of the omicron variant may allow travel restrictions to be lifted and is positive for fuel demand and crude prices. The 7-day average of new U.S. Covid infections fell to a 2-3/4 month low Thursday of 74,756. Increased crude demand in India, the world's third-biggest crude importer, is bullish for prices as 18 of 23 of India's refineries operated at more than 100% of capacity on average in January, up from 8 refineries that operated above 100% in August. OPEC Jan crude production rose +50,000 bpd to 28.14 million bpd, a 1-3/4 year high. The increase in OPEC crude production was limited after Libya Jan crude production fell -140,000 bpd due to blockade of its oilfields from militias.

A decline in global crude oil stored on oil tankers worldwide is bullish for crude prices. Vortexa said Monday that crude oil stored on tankers that have been stationary for at least seven days in the week ended Feb 18 fell -15% w/w to 90.75 million bbl. A bearish factor for crude is the improved prospects for a new Iran nuclear deal. Iran's top nuclear negotiator said that efforts to restore Iran's nuclear deal with world powers are "closer than ever" to an agreement. A nuclear agreement with Iran would remove sanctions from its oil exports and boost global crude supplies.

Thursday's weekly EIA report showed that (1) U.S. crude oil inventories as of Feb 18 were -9.5% below the seasonal 5-year average, (2) gasoline inventories were -3.6% below the 5-year average, and (3) distillate inventories were -19.3% below the 5-year average. U.S. crude oil production in the week ended Feb 18 was unaunched at 11.6 million bpd, which is -1.5 million bpd (-11.5%) below the Feb-2020 record-high of 13.1 million bpd.

Baker Hughes reported Friday that active U.S. oil rigs in the week ended Feb 25 rose by +2 rigs to a new 1-3/4 year high of 522 rigs. U.S. active oil rigs have risen sharply from the 16-1/2 year low of 172 rigs from Aug-2020, signaling an increase in U.S. crude oil production capacity.

**Nat-Gas Prices Slip As Global Supply Concerns Ease**

25 Feb 2022 Barchart - Nat-gas prices Friday closed moderately lower. April Nymex natural gas on Friday closed down by -0.171 (-3.68%). Global nat-gas supply concerns eased slightly and weighed on prices after the U.S. and its allies spared Russian energy exports from sanctions following Russia's invasion of Ukraine. Also, signs of warmer U.S. temperatures are negative for heating demand for nat-gas after Maxar said Friday that warmer temperatures are expected across the lower Midwest and will heat up the East from March 2-6.

Recent below-normal U.S. temperatures boosted domestic nat-gas demand as BNEF data shows lower 48-state nat-gas demand Friday was 100.7 bcf, up +25.9% y/y. Strong U.S. gas production is negative for prices as BNEF data show U.S. lower-48 nat-gas production Friday at 92.8 bcf, up +3.1% y/y.

A bullish factor for nat-gas prices is strong foreign demand for U.S. supplies after BNEF data showed gas flows to U.S. export terminals Friday rose +46% y/y 11.722 bcf. Last Friday, gas flows to U.S. export terminals rose to a record 13.482 bcf. A decline in U.S. electricity output is bearish for nat-gas demand from utility providers. The Edison Electric Institute reported Thursday that total U.S. electricity output in the week ended Feb 19 fell -8% y/y to 78,773 GWh (gigawatt hours). However, cumulative U.S. electricity output in the 52-week period ending Feb 19 rose +2.3% y/y to 4,044,127 GWh.

Thursday's weekly EIA report was bullish for nat-gas prices as it showed U.S. nat gas inventories fell -129 bcf to 1,782 bcf in the week ended Feb 18, a bigger draw than expectations of -126 bcf. Inventories remain tight and are down -8.3% y/y and -10.7% below their 5-year average. Baker Hughes reported Friday that the number of active U.S. nat-gas drilling rigs in the week ended Feb 25 rose by +3 rigs to a 2-year high of 127 rigs. Active rigs have recovered sharply from the record low of 68 rigs posted in July 2020 (data since 1987).

**Ethanol**

**CME Ethanol Futures - Nearby Daily**

The Energy Information Administration (EIA) report this week showed U.S. ethanol production remains strong, while demand moved to an eight-week high through Feb. 18. EIA reported domestic ethanol production rose 15,000 barrels per day (bpd) or 1.5% last week to 1.009 million bpd, above 1 million bpd for the last 20 weeks. Four-week average output totaled 1.017 million bpd, up from 1.02 million bpd four
Ethanol supply and production both moved modestly higher last week. The EIA said production averaged 1.024 barrels a day, up 15,000 on the week and 366,000 on the year. While supply of 25,507 million barrels was an increase from the previous week, winter weather limiting demand in parts of the regions, and 27,772 million more than last year. There were no trades or open interest in ethanol futures.

**DDG’s – Prices March Higher**

25 Feb 2022 Mary Kennedy, DTN Analyst – The DTN average price for domestic distillers dried grains (DDG) from 34 locations reporting for the week ending the 24th of February was $248/ton, up $10/ton versus one week ago.

DDG prices are on a ten-week winning streak as demand from feeders continues. Also still adding to the strength is higher soybean meal prices. One merchandiser noted some plants are preparing for maintenance, which will keep DDG supplies tight in some areas.

Current DDG prices listed below may react to the extreme volatility in corn, soybean meal and all the grain markets seen on the 24th and 25th of February, so please treat all the prices quoted this week as subject to change.

Based on the average of prices collected by DTN, the value of DDG relative to corn for the week ended Thursday, the 24th of February was 99.91%. The value of DDG relative to soybean meal was 53.34%, and the cost per unit of protein for DDG was $9.19, compared to the cost per unit of protein for soybean meal at $9.79.

In their weekly DDGS update, the U.S. Grains Council said, “Barge freight rate is rising again due to cold temperatures and logistics challenges in the Midwest. Barge CIF NOLA DDGS prices are up $5 to $7 metric ton (mt) for spot positions while FOB Gulf offers are steady/$2 higher for March – May shipment. U.S. rail rates are roughly $20/mt higher this week with offers for product delivered into the PNW up $18/mt for March shipment. Exporters and brokers report the market for containerized DDGS to Southeast Asia remains quiet again this week with spotty bids/offers. Offers average $380/mt this week, down from the prior week.”

### U.S. Export Ethanol Values – Friday 25th February 2022

<table>
<thead>
<tr>
<th>Nearby Ethanol Bids</th>
<th>2/24/2022</th>
<th>2/25/2022</th>
<th>Settlement Price: Quote Date</th>
<th>Bushel</th>
<th>Short Ton</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blair, NE</td>
<td>-13</td>
<td>-13</td>
<td>H</td>
<td>$248.21</td>
<td>$248.21</td>
</tr>
<tr>
<td>Cedar Rapids, IA</td>
<td>-2</td>
<td>-7</td>
<td>H</td>
<td>$464.90</td>
<td>$464.90</td>
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<tr>
<td>Decatur, IL</td>
<td>17</td>
<td>12</td>
<td>K</td>
<td>$248.00</td>
<td>$248.00</td>
</tr>
<tr>
<td>Fort Dodge, IA</td>
<td>3</td>
<td>-12</td>
<td>K</td>
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<tr>
<td>N. Manchester, IN</td>
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<td>-5</td>
<td>K</td>
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<tr>
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**VALUE OF DDG VS. CORN & SOYBEAN MEAL**

<table>
<thead>
<tr>
<th>Settlement Price: Quote Date</th>
<th>Bushel</th>
<th>Short Ton</th>
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</thead>
<tbody>
<tr>
<td>Corn</td>
<td>2/24/2022</td>
<td>$6.9500</td>
</tr>
<tr>
<td>Soybean Meal</td>
<td>2/24/2022</td>
<td>$464.90</td>
</tr>
<tr>
<td>DDG Weekly Average Spot Price</td>
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<td>$248.00</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>DDG Value Relative to:</th>
<th>2/24</th>
<th>2/17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corn</td>
<td>99.91%</td>
<td>102.52%</td>
</tr>
<tr>
<td>Soybean Meal</td>
<td>53.34%</td>
<td>52.98%</td>
</tr>
</tbody>
</table>

Cost Per Unit of Protein:

| DDG                          | $9.19| $8.81|
| Soybean Meal                 | $9.79| $9.46|
Notes: Corn and soybean prices take from DTN Market Quotes. DDG price represents the average spot price from Midwest companies collected on Thursday afternoons. Soybean meal cost per unit of protein is cost per ton divided by 47.5. DDG cost per unit of protein is cost per ton divided by 27.

**Oilseeds Complex**

- **China to auction soybeans from state reserves amid tight supply**
  22 Feb 2022 Reuters - China will sell some soybeans from its state reserves to boost supplies to the world's biggest oilseed market, said the National Food and Strategic Reserves Administration on Tuesday. The administration did not give details of volumes and timing of the auctions. The move comes after shipments in recent weeks fell far short of expected volumes due to a delayed harvest in China's top supplier Brazil.
  Soymeal prices have jumped, just as pig farmers are struggling with low prices for their hogs.
  China crushes soybeans to produce soymeal to feed its huge livestock industry.
  "Soybean arrivals in February might be lower than previously estimated while arrivals won't be big in March either. The situation could last until April," said Zhu Rongping, agriculture analyst at commodity consultancy Mysteel, before the announcement. The state reserves will also sell some edible oils as part of a rotation of its oil stocks, it said.

- **Brazil soybean harvest 33% complete but weather weighs**
  21 Feb 2022 Reuters - Brazil's farmers had harvested 33% of the country's soybean area as of Thursday, against 24% a week earlier and 15% by the same time last year, but still faced widespread weather-related issues, agribusiness consultancy AgRural said on Monday.
  The top grain-producing state of Mato Grosso has been hit by excessive rain, hurting soybean quality, while Brazil's southernmost states have been affected by hot, dry weather recently.
  AgRural forecasts Brazil's 2021/22 soybean crop at 128.5 mmts, down 17 mmts from its initial forecast, but a new revision is expected in the coming days.
  On corn, the consultancy said the planting of Brazil's second crop reached 53% of the area in the Center-South, well ahead of the 24% a year ago. However, fieldwork was also affected by excessive showers in Mato Grosso and by drought in the southern state of Parana. Second corn is sowed after soybeans are harvested in the same areas, accounting for 70-75% of overall annual output.

- **China to improve production capacity of soybean and other oilseeds**
  22 Feb 2022 Reuters - China will maintain stable grain planting acreage, and improve production capacity of soybean and other oilseeds, in an effort to bolster food security, a document issued on Tuesday showed.
  China will increase subsidies for land rotation programs and reward for edible oils production counties, as part of its push to expand output of oilseeds, according to the annual rural policy blueprint, known as the "No 1 document," issued by the State Council, state media Xinhua reported.
  China's central leadership urged to stabilize grains production and expand oilseed output during the annual central rural work conference held in late December, a top policy meeting where overarching guidelines on the farming sector were set.
  Beijing also said it will actively deal with unfavorable impact from late planting of wheat and strictly control corn-based fuel ethanol production, according to the key rural document for 2022, Xinhua reported.

- **EU 2021/22 soybean imports at 8.66 mmts, rapeseed 3.23 mmts**
  22 Feb 2022 Reuters - European Union soybean imports in the 2021/22 season that started in July had reached 8.66 million tonnes by Feb. 20, data published by the European Commission on Tuesday showed.
  The volume compared with 9.39 million tonnes by the same week in the previous 2020/21 season, the data showed.
  EU rapeseed imports so far in 2021/22 had reached 3.23 million tonnes, compared with 4.39 million tonnes a year earlier.
  Soymeal imports so far in 2021/22 were at 10.51 million tonnes against 11.37 million a year ago, while palm oil imports stood at 3.35 million tonnes versus 3.70 million.

- **Brazil's Panará soybean estimates slashed to 11.6 mmts**
  24 Feb 2022 - Soybean crop estimates in Paraná, one of Brazil’s main producing states, were slashed once again to 11.6 mmts, 1.2 million below the previous 12.8 mmts estimate in the latest update from the state’s agriculture department Deral Thursday.
  The figure released by Deral is 9.4 mmts (44.8%) lower than the initial estimates and 41% lower than the previous marketing year, when Paraná farmers reaped 19.8 mmts of beans from their fields.
  If estimates prove correct, this will be the lowest harvested volume in Paraná since the 2011/12 marketing year, when farmers also faced a substantial crop loss and the state harvested 10.9 mmts.
  So far, the biggest losses in volume are concentrated in the western regions with a reduction of 2.9 mmts from initial estimates. The Northern Region is expected to harvest almost 1.8 mmts less, and the Midwest almost 1.5 mmts, Deral stated.
  Forward sales reached 19% of the total forecast for this harvest, the equivalent to 2.2 mmts.
Argentina’s soybean forward sales continue to lag, corn advances
23 Feb 2022 - Argentina’s 2021/22 soybean sales continued to lag last year’s sales commitments in the week to the 16th of February, while corn sales rose on the week, data from the country’s agriculture ministry showed on late Tuesday.

Soybeans - Weekly new crop soybean sales came to 310,000 mt in the week to February 16th, nearly 70% down from the 917,000 mts sold the previous week.
Old crop sales increased 20% on the week to 368,000 mts, compared with 306,000 mts the previous week.
New crop license applications reached 131,000 mts, unchanged on the prior week, while old crop license applications also remained unchanged.
Forward 2021/22 soybean sales continued to lag last year’s sales commitments, with new crop sales to date representing 19% of the estimated crop, below the 23% that had been committed at the same point last year.

Corn - Argentina’s weekly new crop corn sales rose nearly 30% week-on-week, reaching 285,000 mts the week to February 16th, while old crop sales fell 4% on the prior week to 582,000 mts.
Total export license applications for new crop corn remained unchanged on the week at 22.5 mmts, while licenses for the old crop were up 3% at 18,816 mts.
The ministry of agriculture data showed 30% of the new crop had been sold, compared with 35% at the same point last year, a difference that amounts to over 2.2 mmts in absolute volumes.
Argentina started to harvest its corn crop last week and had reaped 2% of the crop by February 16th.
The Buenos Aires Grains Exchange (BAGE) expects a total of 51 mmts to be harvested this year.

Argentina soy yields could lag drought-hit 2017/18 season
18 Feb 2022 Reuters - Argentina's 2021/22 soybean yields in the core farm zone could come in below the drought-hit 2017/18 season if no major rains arrive, the Rosario grains exchange said in a weather report, underscoring how key the weeks ahead will be for the harvest.

The South American country, the world’s no. 1 exporter of processed soybean oil and meal, has been hit by spells of drought since late last year and the drought seems to have taken hold again this month with little sign of major rains over the next week.
The Rosario exchange, which cut its soy harvest outlook sharply in January, said in the report dated the 17th of February that the yield - the amount produced in a given area - could drop beneath the level in 2018 when a major drought hammered production. It estimates a soybean harvest of 40.5 mmts.
The exchange currently forecasts the soybean crop yield at 31.8 quintals per hectare (qq/ha) [47.28 bu./acre] in the core farm belt region, which compares to 29 qq/ha in 2017/2018.

“But that number has not been adjusted in the last 7 days and the chances of rain are not encouraging,” it said.
The exchange said the next week would see scattered showers, before heavier rains arrive at the end of the month, tallying with the outlook of the rival Buenos Aires grains exchange.
“The forecasts are not favorable in terms of a general supply of water until the beginning of the last week of the month,” weather expert José Luis Aiello said in the report.
Esteban Copati, head of agricultural estimates at the Buenos Aires exchange, told Reuters this week that rains in the coming weeks would be key and that crops could recover to a degree if there was enough precipitation.
The Rosario exchange added that some small early harvested corn batches had shown very low yields, though they were from areas particularly hard-hit by drought. It warned this could be a sign that estimated corn yields could be adjusted downwards.

CME CBOT Soybeans Futures
Source: http://www.dtnigp.com/index.cfm?show=62
Soybean futures were severely lower as both traders and managed funds exit long positions, trying to avoid volatile price swings. Uncertainty over global events is at all-time high and will affect the markets likewise.
CME March 2022 Soybean Futures made new contract highs on Thursday touching $17.65/bu, before settling on Friday at $15.90/bu., off 71¼ cents on the day, and losing 11 ¼ cents for the week. New crop November contract lost 38 ½ finishing the Friday session at $14.13/bu., losing 38 cents for the week.
Following a $1.79 ranged week, front month May beans went home a net 19 cents weaker from Friday to Friday. Friday’s session specifically dropped prices by 3.8% to 4.3%. In new crop, prices went home 34 1/2 to 44 1/2 cents lower.

Heavy order flow put pressure on spreads across the board. H/K closed @ +5^6, dn 1^6, K/N closed @ +11^2, dn 6^0, N/X closed @ +$1.58^2, dn 5.27. Today was first position of March futures.

The weekly CoT report showed soybean spec traders were net buyers of beans through the week that ended the 22nd of February. That left the group 4,962 contracts more net long to 180,334 contracts – a 60 week high. Commercial soybean traders reduced OI by 38,400 contracts – mostly via long liquidation. That extended the commercial net short by 8,332 contracts to 315,154 contracts – the most since December of 2020.

US crush plants are seeing ownership fall in their lap with the board rally flushing heavy farmer movement.

Weather forecasts have been more beneficial for S. American production with decent rain forecast in Argentina and southern Brazil over the next couple of weeks easing dryness. The rest of Brazil is drier which will aid in prompt harvest progress.

With the South American production off so much the U.S. continues to benefit with increasing old crop sales. The Buenos Aires Grain Exchange lowered their soybean crop rating by 7% from last week to 24%. The crop reductions in South America may already be somewhat factored into the market. But what is likely not yet factored in is the shift in demand. Due to the reductions throughout South America, China may be forced to purchase more US soybeans. On that note, March soybeans on their Dalian exchange hit an all-time high, the equivalent of $24.11 per bushel.

**U.S. Export Soy Values – Friday 25th February 2022**

Soybeans Gulf barge/rail quotes, in cents per bushel basis CBOT futures:

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**BRAZIL FOB BEANS @ PORT PARANAGUA**

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<tr>
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**BRAZIL FOB CORN @ PORT PARANAGUA**

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</tr>
<tr>
<td>AUG</td>
<td>65 / 75</td>
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<tr>
<td>SEP</td>
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</tr>
<tr>
<td>OCT</td>
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</tr>
<tr>
<td>NOV</td>
<td>87 / 97</td>
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USDA flashed some large private export sales this morning, as China booked 334 kmts of new crop and unknown destinations booked 285 kmts (159k old and 126k MT new crop). The weekly report showed 1.232 mmts of soybeans were booked during the week that ended the 17th of February. That was above the top end of the expected range with 239 kmts previously announced.

For new crop sales, USDA announced 866,500 mts were sold, which was just above the expected range and included 311 kmts of previously announced business. Shipments were seen at 1.26 mts for the week that ending the 17th of February. China was the top destination for the week with 393 kmts.

Cash IWDS has been hovering at or slightly above delivery value so inverse structures have been warranted. The past three days heavy farmer movement has interior river basis converging / breaking down to futures delivery equivalent.

New crop sales favor PNW as majority are Chinese destined. US cash crush margins still up around $3.00/bu.
Export sales were 45.3 mbus (expecting 18-44) with only 8.5/week needed BOY.
Notables were China 10.7, Egypt 13.9 mbus. New crop sales continue to build with 31.8 mbus TW (56.1 LW). China spoke for 22.1 mbus.
China’s soybean crush was back on track following a week-long Lunar holiday period, moving up by a factor of 2½ to 1.7 mmts and 30 kmts +/- above the 2021 number. However, the estimated crush since the 1st of October is down 4 mmts year on year.

- **Soy steady as U.S. exports swell**
  18 Feb 2022 Gus Trompiz and Naveen Thukral, Reuters - Chicago soybean futures edged higher on Friday, underpinned by signs that drought-reduced harvest prospects in South America are boosting export demand for U.S. supplies.

The USDA said on Thursday last week that export sales of soybeans totaled 2.888 mmts in the week ended the 10th of February, up from 2.446 mmts a week earlier.

"The 3 mmts in U.S. export sales is a demonstration of significant export capacity being lost in the southern Brazil and Argentina area," Michael Magdovitz, commodity analyst at Rabobank, said. "The demand is moving north and prices are moving north too."

Indian traders, meanwhile, have contracted to import a record 100,000 mts of U.S. soyoil because of limited supplies from drought-hit South America, dealers told Reuters.

Traders are continuing to assess weather forecasts for Argentina and southern Brazil to see if rain expected in the rest of February will curb further yield losses.

- **Huge U.S. soybean sales contradict China’s import slashing plans**
  17 Feb 2022 Karen Braun, Reuters - U.S. soybean exporters have recently made record old-crop sales and new-crop bookings are well above normal, putting an awkward spin on China’s latest claim of sharply reducing soybean demand.

Overseas demand for the U.S. oilseed has lagged last year’s high as expected, but severe crop losses in South America and rising global prices have recently awakened buyers for both the current crop and next year’s crop.

As of the 10th of February, U.S. soybean export sales for the 2021/22 marketing year ending the 31st of August totaled 48.1 mmts, some 86% of the Department of Agriculture’s full-year forecast. Coverage was 77% four weeks earlier.

That is below 97% on the same date last year but only slightly behind the pre-trade war average, and sales are still coming in. USDA announced on Thursday that 120,000 mts of old-crop U.S. soybeans were sold to unknown buyers.

This flurry of old-crop bookings, some 6.3 mmts between January 1st and February 10th, is likely a record for the period and up 28% from last year’s more than decade high. That includes more than 2 mmts in net sales to China and about 2.8 million in gross sales to unknown buyers.

At 86%, the soybean sales-versus-expectations pace suggests USDA’s forecast remains reasonable. The only recent seasons in which final exports came in lower than USDA’s February peg were 2018-19 and 2019-20, when about two-thirds of the forecast had been sold by the 10th of February.

Forward soybean demand concerns are evident in the 2022-23 sales progress, which reached 4.5 mmts as of the 10th of February. That is only about one cargo beyond last year’s pace, which was a 10-year high.

China accounted for 2.58 mmts of new-crop U.S. soybean sales as of the 10th of February, and unknown buyers, many of which likely represent China, had secured 1.55 million. Most of these purchases have occurred since January 1st.

**MIXED CHINESE SIGNALS**

China’s recent U.S. soybean purchases, especially for the upcoming marketing year, are contradictory to Wednesday’s report from Xinhua news agency that China can cut soybean demand by 30 mmts.

The supposed timing was unclear, though a reduction of that size would be a 30% cut to annual imports at current levels and more than a quarter cut in domestic consumption. That would place Chinese soybean demand close to the 2013-14 levels.

The report mentioned that China’s top feed companies in 2021 reduced soymeal rations in animal feed by 1.6 percentage points from the previous year and that the huge drop in soybean demand could be possible if low-protein livestock diets continue being promoted.

But that might create stumbling blocks in Beijing’s plans announced last week of a 15% increase in domestic meat output by 2025. That would include restoring pork production to pre-African swine fever levels and boosting poultry and beef output.

To do this, China would need to drastically increase herd sizes to stay on a lower protein plan or increase protein intake to fatten animals, both of which require more feed. If China turns away from soybeans, that could increase overseas demand for other feedstock like corn if China plans to maintain grain reserves.

Beijing has often stated a desire to rely less on imports, efforts that have not gone well over the last two years. But it will likely have to make some concessions somewhere if it is to both drastically reduce soymeal demand and increase meat production.

Lighter cuts to China’s soybean consumption are not unreasonable as a pullback is in progress now. USDA sees China’s 2021-22 soybean imports at 97 mmts, down from last year’s nearly 100 million. U.S. October-December 2021 soy shipments to China were down 19% on the year.

China’s vice premier on Sunday called for the expansion of domestic soybean production in another possible move to reduce import needs or create that appearance. The agriculture ministry said the country would raise 23 mmts of soybeans by 2025, up 40% from current levels.

For comparison, Brazil and the United States, which supply most of China’s annual imports, combine for more than 250 mmts of soybean production each year.
Beijing had been pushing for an increase to soybean production last year but failed to sufficiently incentivize Chinese farmers, who prioritized corn planting due to better profitability.

**SUNFLOWERS**

- **USDA FAS WASDE – World Soybeans**

<table>
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<th>Attribute</th>
<th>21/22 Feb’22</th>
<th>Change</th>
<th>21/22 Jan’22</th>
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<td>Total Supply (1000 MT)</td>
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9 Feb 2022 USDA - World Sunflowerseed Supply & Demand Balance Sheet

- **Ukraine crisis threatens sunoil supply, fuels vegoils rally**

23 Feb 2022 Rajendra Jadhav, Reuters - Uncertainty over sunflower oil supplies due to the conflict between Russia and Ukraine is spurring demand for rivals palm oil and soyoil, fueling a red-hot vegetable oil market.

The Black Sea accounts for 60% of world sunoil output and 76% of exports, so the uncertainty over how the crisis in the region may impact crop production and movement has prompted buyers to seek alternative oils.

Surging palm oil and soyoil prices could hit new record highs in the short term, and squeeze price-sensitive Asian and African consumers already reeling from spiraling fuel and food costs, analysts and traders said.

"We are facing a perfect storm," James Fry, chairman of commodities consultancy LMC International, told Reuters.

Buyers are already struggling to secure replacement supplies after Indonesia, the top exporter of palm oil - the most-produced edible oil - restricted exports this year while drought slammed output of soyoil - the second most produced edible oil - in South America.

Vegetable oil buyers were banking on sunflower oil, the fourth most produced oil after rapeseed oil, to plug the supply gap. Russia's move to order troops into separatist regions of eastern Ukraine has now raised fears of supply disruption.

Sunflower oil vessel loading has already been delayed by at least a week from Ukraine, said Sandeep Bajoria, president of the International Sunflower Oil Association.

"Sunoil is right now the cheapest edible oil, but buyers are skeptical about delivery. They are moving towards soyoil and palm," said Bajoria, who is also chief executive of one of India's largest edible oil brokerages, Sunvin Group. India is the world's top edible oil importer.

Crude palm and soybean oils are being offered at a record $1,700 a tonne - including cost, insurance and freight (CIF) - in India for March shipments, compared with $1,620 for crude sunflower oil, traders said.

LITTLE CHOICE - Palm oil usually trades at a substantial discount to soyoil and sunoil, but Indonesia's export curbs have lifted the tropical oil's price by 27.5% this year, more than any rival.

That has slowed purchases from cost-sensitive buyers in India and China, who had hoped prices would weaken, said a Kuala Lumpur based dealer. But tightening local inventories in key consumer hubs means those buyers may soon have to re-stock.

"They don't have a choice. They have to replenish inventories at record high prices," the dealer said.

Despite the geopolitical tensions, sunoil remains a popular choice among potential buyers.

"For the short term sunoil supplies may get disrupted, but once the situation normalizes, sunoil supplies would pick up," said Sudhakar Desai, president of the Indian Vegetable Oil Producers' Association (IVPA).

Sunflower oil exports from Ukraine could jump to 6.6 million tonnes in the 2021/22 season from 5.3 million tonnes in 2020/21, Ukrainian sunoil producers' union estimates.

While the uncertainty surrounding Black Sea sun oil shipments persists, global edible oil prices are set to remain elevated unless Indonesia lifts its export curbs, said a Mumbai-based dealer with a global trading firm.

"Only Indonesia can salvage the consumers. We can't rely on soyoil as soybean crop size has been continuously shrinking in South America," the dealer said.
**CANOLA / RAPESEED**

- **ICE Canadian Canola Futures**

China’s domestic crush margins deteriorated sharply into negative territory since China returned from its week-long Lunar New Year holiday earlier this month, according to Agricensus’ assessments.

Import costs for soybeans paid by Chinese crushers have shot up as weather concerns over South American crops boosted the skyrocketing in CBOT soybean futures and spot premiums in Brazil’s market.

Meanwhile, demand for soymeal, one of the major products crushed from soybeans, from downstream industry weakened due to the plunge of hog prices since mid-December 2021. Chinese buyers have had to slow down the pace of purchases for soybeans from the global markets, particularly for crops in the current marketing year, according to trade information tracked by Agricensus. Moreover, some Chinese soybean processors have cancelled, known in the trade as washouts, for around 10 to 12 cargoes of Brazilian soybeans since last week.

Slow importing and pre-holiday consumption weighed on China’s domestic soybean stocks in major oil plants remained at low levels in recent weeks. According to data from China’s National Grain and Oil Information Centre (CNGOIC), soybean stocks last week came in at 3.95 mmt, 1.5 mmt lower than the level recorded at the same point in 2021. In Guangxi province, only two oil plants have soybean stocks while other plants have no soybean left, according to Mysteel.

The market is probably waiting for China’s government to release soybeans from its reserves to ease the tight supply, a China-based trader said. Rumors have circulated widely in recent days that Sinograin, China’s state-owned stockpiler, would sell soybeans from its reserves to cover the country’s demand from March to May, and the released size was heard to be as much as 5 mmt.

**VEGETABLE OILS**

- **China’s oil plants shut down because of soybean shortage**

18 Feb 2022 - Some soybean crushing plants across China from north to south regions are in or have planned suspensions to operations. The shutdown came as deteriorated domestic crush margins heavily weighed on Chinese buyers’ buying interests for soybeans, causing shortages of the oilseed in oil plants.

According to sources familiar with the matter, crushing plants of Bunge located in Tianjin have halted operations for 49 days from February 14th to April 3rd, and the company’s plants in Nanjing issued notices to shut down for almost one month from late February to March.

At the same time, plants of Louis Dreyfus Company (LDC) in Tianjin and Cargill in Hebei Province will stop their operations from next week. According to a report from China’s industry consultancy Mysteel on Friday, many crushing plants in China’s southern province - Guangxi - have shutdown schedules in March.

CME March 2022 Soybean Oil Futures after making new contract highs on Thursday and toughing $74.72/cwt, settled on Friday at $68.75/cwt, off $3.25 on the day, and gaining $1.18 for the week.

Soybean Oil prices were also triple digits weaker after dropping 4% to 4.51% on Friday. Oil prices are 315 to 361 points in the red so far.

The weekly CFTC data showed for soybean oil, the funds were net buyers through the week that ended 2/22 pushing their net long by 8,819 contracts to 79,200.

Monday is FND for the March contracts. USDA saw B100 biodiesel from $6 to $6.07/gallon this week, compared to $5.70 last week.

USDA’s FAS reported for soybean oil, weekly export sales were 35.47 kmts. That was a 9-week high and at the top end of pre-report estimates.

- India makes record U.S. soyoil purchases as drought parches SAM

18 Feb 2022 Rajendra Jadhav, Reuters - Indian traders have contracted to import a record 100,000 tonnes of soyoil from the United States because of limited supplies from drought-hit South America, at a time when prices of rival palm oil are scaling record highs, three dealers told Reuters.

The higher purchases from the United States are expected to support U.S. soy oil prices, which have climbed nearly 20% this year to close to their highest in a decade, fueling worries about food inflation.

The world's biggest edible oil importer traditionally buys soyoil from Argentina and Brazil, but lower bean output in these two leading exporters of the commodity forced New Delhi to turn to the United States, they said.

"Indian buyers have bought U.S soyoil vessels. Prices were attractive and supplies were not enough in South America," said the India head of a global trading firm, who sought anonymity because of the company's policy. "Buying of another two vessels in the short term is possible."

India usually gets two-thirds of its soyoil needs from Argentina, and the rest from Brazil. But last season’s reduced soybean output has tightened soyoil reserves in Argentina, forcing Indian buyers to shop around for alternatives, such as sunoil from the Black Sea region.

"Sunflower oil is cheaper than palm and soyoil, but some buyers are sceptical about deliveries because of geopolitical tension (in Russia)," said Sandeep Bajoria, chief executive of Sunvin Group, a vegetable oil brokerage and consultancy firm. "They are going with soyoil."

Crude palm oil is being offered at about $1,575/mt, including cost, insurance and freight (CIF), in India for March shipments, compared with $1,620/mt for crude soyoil oil and $1,515/mt for crude sunflower oil, traders said. Soyoil was cheaper than palm and sunflower oil last month, but the sudden jump in soyoil demand has lifted prices by 16% in a month to the highest in 14 years.

SUPPLY SQUEEZE - India gets nearly two-thirds of its edible oil needs through imports, mainly palm oil from Indonesia and Malaysia. But Indonesia’s decision to curb palm oil exports has lifted the price of the tropical oil to a record and created scarcity in the edible oil market, said a Mumbai-based dealer with a global trading firm.

"Edible oil importers were looking for an alternative in the form of soyoil, but massive output reduction is going on for the soybean crop in South America," the dealer said.

This month, Brazilian statistics agency Conab slashed its soy output estimate for the 2021/2022 cycle by about 15 million tonnes, while Paraguay's soybean harvest could fall by as much as half.

Top soyoil exporter Argentina also faces a drop of 5 mmts in soybean output for 2021/22. In addition, lower water levels on Argentina’s key Parana River have left it struggling to fully load soybean vessels, so that cargo sizes have been reduced by up to 30%.

On the other hand, the United States faces a potential surplus of soyoil after the Biden administration proposed cutting the biofuel blending mandate, another dealer with a trading firm said.

India could import as much as 160,000 tonnes of soyoil from the United States in 2021/22, up from 36,000 mts a year ago, he said.

Indian traders also signed deals to import 30,000 tonnes of soyoil from the Black Sea region, but port congestion is delaying shipments, said the India head of a global trading firm.

- CME Palm Oil Swaps
After making new all-time highs on Wednesday, touching $1,390.00/mt CME Feb 2021 Palm Oil Swaps settling at $1,279.00/mt on Friday, off $111.25 on the day, but gaining $17.50 for the week.

Malaysian palm oil futures were set for their biggest weekly gain in more than nine months despite a sharp drop on Friday, as Russia’s attack on Ukraine stoked worries about global edible oil supply. Malaysian palm oil futures hit a record high on Wednesday, helped by supply jitters amid escalating Russia-Ukraine crisis and dry weather in South America.

On Wednesday, the spot contract FCPOc1 rose 1.76% to an all-time high of 6,466 ringgit. The benchmark palm oil contract for May delivery on the Bursa Malaysia Derivatives Exchange slid 267 ringgit, or 4.14%, to 6,186 ringgit ($1,474.26) a tonne by the midday break, after a six-day rally to a record high.

For the week, palm has risen 11.7% in what could be its biggest since May 7 last year.

Dalian’s most-active soy oil contract DBYcv1 fell 1.2%, while its palm oil contract DCPcv1 fell 0.1%. Soyoil prices on the Chicago Board of Trade BOcv1 were up 0.3%.

“It is too early to say if the correction will be extended but the steep fall erased the war risk premium

Palm oil exports rising faster than its production in February, along with strong externals of crude oil and gains in related edible oils are all supporting prices.

The Malaysian Palm Oil Association on late Tuesday estimated production during February 1 - 20 fell 1.79% from the month before.

Investors are assessing the impact of new sanctions by the West on Russia for ordering troops into separatist regions of eastern Ukraine and threatening to go further if Moscow launched an all-out invasion of its neighbour.

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**PLANT PROTEIN MEALS**

- **CME CBOT Soybean Meal**

  *Source: http://www.dtnigp.com/index.cfm?show=62*

  **CME March 2022 Soybean Meal Futures**, after making new contract highs on Thursday of $493.10, settled on Friday at $448.30/ton on the day, off $16.60/ton on the day, and gaining $0.40/ton for the week.

  The weekly CFTC data showed a 90,417 contract net long for meal spec traders. That was 1,247 contracts stronger wk/wk and the group’s strongest net long since June of 2018.

  USDA’s FAS reported soymeal bookings were 231.9 kmts during the week that ended the 17th of February. That was in-line with estimates.

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**U.S. Export Soybean Meal Values – Friday 25th February 2022**

Soybean Meal Gulf barge/rail quotes, basis CBOT futures:

USDA, CIF New Orleans, LA

<table>
<thead>
<tr>
<th>CIF SOYBEAN MEAL</th>
<th>2/24/2022</th>
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<tr>
<td>FEB</td>
<td>32 / -</td>
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COTTON

- **CME Cotton – Daily Nearby**

_CME March 2022 Cotton Futures_ settled on Friday at $97.11, off 1.12/cwt on the day, and losing $2.66/cwt for the week.

CFTC data showed that cotton spec traders were closing longs through the week that ended 2/22. That left the group 74,657 contracts net long at the settle. On the commercial side, the Commitment of Traders report showed a 13,241 contract reduction to open interest and a 2,469 contract lighter net short.

USDA's weekly Export Sales data showed cotton bookings were 247,234 RBs for the week that ended the 17th of February. That was up 56% w/o/w and a 3-week high. China was the top old crop buyer with 92k RBs of the total. Pakistan was the top buyer for new crop through the week, booking 95k RBs of the 218k RB total. Cotton exports were 376,107 RBs during the week that ended 2/17. That was up 28% from the same week last year.

USDA's weekly Cotton Market Review showed 34,584 bales were sold at spot through the week that ended 2/24 with the average selling price of 118.32 cents/lb. The Cotlook A index was back up by 90 points for 2/24 to 137.4 cents/lb. USDA reduced the Adjusted World Price for cotton another 88 points to 113.74 cents/lb.

OTHER MARKET NEWS

- **Bird flu continues to spread through the U.S.**
  
  23 Feb 2022 Diego Flammini, Farms.com -

  Multiple states are experiencing avian flu outbreaks. In Indiana, for example, five turkey farms have confirmed cases of avian influenza. Officials confirmed the first case in the state on February 9th.

  Three premises are in Dubois County. Of those, two have confirmed cases of H5N1. Results on the other premises are pending. The two other locations are in Greene County. Which strains of avian flu is present on those farms is unknown. Between the five locations, 154,781 turkeys have been depopulated.

  On February 14th, the United States Department of Agriculture confirmed cases of highly pathogenic avian influenza in two other states. Officials confirmed the cases in a flock of commercial broiler chickens in Fulton County, Ky, and a non-poultry backyard flock in Fauquier County, Va. Both flocks were depopulated to prevent further spread.

  It has since been confirmed the broiler flock of about 240,000 chickens belonged to Tyson Foods. The company is working with authorities to prevent further spread and is ramping up its safety measures, Gary Mickelson, a Tyson spokesperson, told Reuters.

  Then, on February 19th the USDA confirmed another case of avian influenza in a non-commercial backyard poultry flock in Suffolk County, N.Y. State officials quarantined the premises, and the birds, which were depopulated to prevent further spread in New York.

  And on February 23rd test results from the Delaware Department of Agriculture and the USDA confirmed cases of avian flu on a commercial poultry farm in that state. Like the other affected farms, it is under quarantine and the flock will be depopulated.

  “We have taken immediate action to contain this disease and will continue to work with poultry owners, the industry, and our laboratory partners to protect against its spread,” Delaware Secretary of Agriculture Michael Scuse said in a statement. “This appears to be an isolated case, with no reports of disease among our chicken industry. Delmarva poultry is safe to eat, and consumers can be confident in the safety of their food.”

  The Delmarva Chicken Association is the 1,600-member trade association of the meat chicken industry in Delaware and parts of Maryland and Virginia.
TRANSPORTATION

**Baltic Dry Freight Index - Daily = 2187**

The Baltic Dry Index is reported daily by the Baltic Exchange in London. The index provides a benchmark for the price of moving the major raw materials by sea. The index is a composite of three sub-indices that measure different sizes of dry bulk carriers: Capesize, which typically transport iron ore or coal cargoes of about 150,000 tonnes; Panamax, which usually carry coal or grain cargoes of about 60,000 to 70,000 tonnes; and Supramax, with a carrying capacity between 48,000 and 60,000 tonnes.

Not restricted to Baltic Sea countries, the index provides "an assessment of the price of moving the major raw materials by sea. Taking in 23 shipping routes measured on a time-charter basis, for dry bulk carriers carrying a range of commodities including coal, iron ore, grain, and other commodities. Because dry bulk primarily consists of materials that function as raw material inputs to the production of intermediate or finished goods, the index is also seen as an efficient economic indicator of future economic growth and production.

Source: https://www.tradingview.com/chart/?symbol=INDEX%3ABDI

**Baltic Dry Index - snaps 4-day winning streak as larger vessel rates fall**

24 Feb 2022 Reuters

The Baltic Exchange’s dry bulk sea freight index (.BADI) snapped a four-session winning streak on Thursday, weighed down by lower rates for capesize and panamax vessels as Russia launched an all-out invasion of Ukraine.

The overall index, which factors in rates for capesize, panamax and supramax vessels, slipped 57 points to 2,187.

- Average daily earnings for capesizes, which transport 150,000-tonne cargoes such as iron ore and coal, decreased by $1,595 to $16,586.
- Ukraine fought Russian forces along practically its entire border with Russia, confirming the worst fears of the West in the biggest attack by one state against another in Europe since World War Two.
- The Russia-Ukraine conflict impacts the cost of shipping through fuel rate hikes, said Peter Sand, chief analyst at Xeneta.
- Oil prices leaped on Thursday, with Brent climbing above $105 a barrel since 2014 after Russia's attack on Ukraine raised concerns about disruptions to global energy supply.
- "On top of a lot of other supply chain issues that the global shipping industry is facing at the moment, this is another one," Sand said.
- Meanwhile, China's Shanghai steel futures lost with construction rebar dropping more than 3%, as government controls on steelmaking raw materials weighed on prices of steel products.

97 The panamax index (.BPNI) eased 10 points to 2,689.
- Average daily earnings for panamaxes, which ferry 60,000-70,000 tonne coal or grain cargoes, lost $86 to $24,204.
- The supramax index (.BSIS) advanced 27 points to 2,415.

**Shipping warned of dangers as Ukraine tensions mount**

18 Feb 2022 Nick Blenkey

MARAD has issued an advisory for the Black Sea and Sea of Azov, warning that regional tensions and increased naval activity in these areas could pose a risk to U.S.-flagged commercial shipping vessels.

U.S. flagged commercial vessels operating in the areas are advised to "exercise caution, conduct a risk assessment, review security measures, and incorporate appropriate protective measures into their vessel security plans. Vessels should ensure AIS is transmitting at all times (except when the master believes that continuing to operate AIS might compromise the safety or security of the ship or when a security incident is imminent), consistent with provisions of the International Convention for Safety of Life at Sea (SOLAS), and monitor VHF Channel 16."

The advisory says that vessels operating in these areas may encounter GPS interference, AIS spoofing, and/or other communications jamming.

INSURERS REACT - The London insurance market’s Joint War Risks Committee has added Ukrainian and Russian waters in the Black Sea and the Sea of Azov to its “Hull War, Piracy, Terrorism and Related Perils” Listed Areas.

The world’s largest mutual provider of war risks insurance for ships, the UK War Risks club, has provided its members with a briefing note on the situation prepared by its intelligence partner, Risk Intelligence.

The club says that the key concerns for maritime security are:
- In case of direct confrontation, Russia is likely to use its naval superiority to control maritime traffic in the Azov and Black Sea near Crimea and the Ukrainian coast, including blockades of the Kerch Strait and major Ukrainian ports. This will impact the way merchant maritime traffic is conducted in the area.
- Another possible outcome is that Russia will engage Ukrainian naval assets in port and on patrol in the Black Sea, using land-based anti-ship missiles, air attacks and warships to cripple Ukrainian units.
- Similarly, Ukrainian units might attempt to engage Russian vessels. While this activity would likely be focused mainly on military targets, collateral damage in port areas or firing on civilian vessels due to mistaken targets cannot be ruled out.
- Russian naval or special forces units may be tasked with taking and holding major Ukrainian ports to cut off the country from the Black Sea, potentially leading to combat operations near and in port areas.
- It is also possible that Ukrainian special forces or other assets will attempt to sabotage Russian port infrastructure or other maritime targets, including the Kerch Strait Bridge to disrupt Russian planning and operations.
- Finally, it is possible that sea mines will be deployed by either party, meaning that civilian shipping will be at risk of collateral damage.

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Insurance costs of shipping through Black Sea soar
25 Feb 2022 Jonathan Saul, Reuters - Insurers have raised the cost of providing cover for merchant ships through the Black Sea, adding to soaring rates to transport goods through the region for vessels still willing to sail after Russia's invasion of Ukraine.

Ship owners pay annual war-risk insurance cover as well as an additional "breach" premium when entering high-risk areas. These separate premiums are calculated according to the value of the ship, or hull, for a seven-day period.

Ship insurers have quoted the additional premium rate for seven days at anywhere between 1% to 2% and up to 5% of insurance costs, from an estimated 0.025% on Monday before Russia's invasion began, according to indicative rates from marine insurance sources.

This would mean additional costs of hundreds of thousands of dollars for a ship voyage depending on the destination.

"Given the Russian offensive from land, sea and air, it would not be surprising if some insurers will be reluctant (to provide cover)," one insurance source said.

A Moldovan-flagged chemical tanker was hit by a missile on Friday near Ukraine's port of Odessa, seriously wounding two crew.

On Thursday, a Turkish-owned ship was hit by a bomb off Odessa with no casualties and the ship sailed safely into Romanian waters.

Ukraine has appealed to Turkey to block Russian warships from passing through the Dardanelles and Bosphorus straits which lead to the Black Sea, after Moscow on Thursday launched a full-blown assault on Ukraine.

Russian forces landed at Ukraine's Black and Azov Sea ports as part of the invasion.
Ukraine's military has suspended commercial shipping at its ports although some Russian Black Sea ports remain open, including Novorossiisk, traders said on Friday. "Due to the sea invasion potential and Crimea's location in the Black Sea, freight destined for surrounding countries will likely see re-routings and longer transit to meet its final destination," added Glenn Koepke with supply-chain tracking platform FourKites.

Mark Nugent, with shipbroker Braemar ACM, citing satellite tracking data, said a number of dry bulk vessels in the Black Sea had reversed course and were sailing towards the Bosphorus to exit the region.

Freight rates have jumped after shipping companies including the world's top container lines MSC and Maersk and many oil tanker owners suspended sailings through the region.

Average earnings for smaller aframax tankers trading in the Black Sea jumped to over $100,000 a day on Thursday from $8,000 a day on Monday, shipping sources said.

Earlier this month, London's marine insurance market added the Ukrainian and Russian waters around the Black Sea and Sea of Azov to its list of areas deemed high risk, which prompted some shipping companies to hold back on sending vessels into the area.

**Freightos Baltic Index (FBX): Global Container Freight Index**

FBX stands for Freightos Baltic Index. It is the leading international Freight Rate Index, in cooperation with the Baltic Exchange, providing market rates for 40' containers (FEUs).

Prices used in the index are rolling short term Freight All Kind (FAK) spot tariffs and related surcharges between carriers, freight forwarders and high-volume shippers. Index values are calculated by taking the median price for all prices (to ignore the influence of outliers on active lanes) with weighting by carrier. 50 to 70 million price points are collected every month.

The weekly freight index is calculated as an average of the five business days from the same week and published each Friday.

Source: https://fbx.freightos.com/

**Ningbo Containerized Freight Index decrease slightly in February 2022**

25 Feb 2022 - In terms of container freight rates, the average value of the Ningbo Container Freight Index (NCFI) in February was quotes 4047.8 points, have a decrease of 3.7% compare to last month, according to Ningbo Zhoushan port Group's release.

The freight rate on the Ningbo to North America route was generally stable, and some carriers push the rate increase in early March.

The average freight rate of 40GP from Ningbo Port to Los Angeles port and New York & New Jersey port in February was $9333 and $10052, have an increase of 3.6% and 3.3% month-on-month respectively.
Ningbo Containerized Freight Index (NCFI) is used to objectively reflect the fluctuation of freight rates of international container shipping market by calculating and recording the container freight rates change information of 21 routes departing from Ningbo-Zhoushan port, including composite index and 21 indexes of branch routes.

LOGISTICS

- **Ukraine shuts down ports as conflict threatens grain supplies**
  24 Feb 2022 Reuters - Ukraine’s military has suspended operations at its ports after Russian forces invaded the country by land and sea, an adviser to the president’s chief of staff said on Thursday, as concerns grew about the flow of supplies from one of the world’s top exporters of grains and oilseeds.

  Russia had earlier suspended movement of commercial vessels in the Azov sea until further notice, but kept Russian ports in the Black Sea open for navigation, its officials and five grain industry sources said.

  Russian President Vladimir Putin authorized “a special military operation” against Ukraine on Thursday to eliminate what he called a serious threat, saying his aim was to demilitarize Russia’s southern neighbor.

  “The market is still struggling to get a clear picture about the actual military situation on the ground. The ports in the Azov and Black Sea so far seem not to have been damaged according to the initial shipping agency reports,” one European grain trader said. “The next stage which will have to be faced is any declarations of force majeure, if ships simply cannot be loaded and contracts cannot be fulfilled,” the trader added.

  Russia, the world’s largest wheat exporter, mainly ships its grain from ports in the Black Sea.

  The Azov sea is home to shallow water ports of smaller capacity. Mariupol, the most important Ukrainian port in the Azov sea, mainly handles relatively small ships of between 3,000 to 10,000 tonnes deadweight. The Azov sea ports mainly export wheat, barley and corn to Mediterranean importers like Turkey, Italy, Cyprus, Egypt and Lebanon.

  “These countries would be compelled to seek alternative supplies if ships are stuck and cannot depart in the near future,” another European trader said.

  Wheat prices in Chicago rose to the highest level in 9-1/2 years on Thursday as the conflict threatened to disrupt the flow of supplies from the region while European wheat futures climbed to a record peak.

  Russia and Ukraine account for 29% of global wheat exports, 19% of world maize (corn) supplies, and 80% of world sunflower oil exports, and according to the USDA, to export 35 mmt of the July-June season, 17% of the global total.

  Russia supplies wheat to all the major global buyers. Turkey and Egypt are the largest importers.

  The Ukraine asked Turkey to close the Bosphorus and Dardanelles straits to the Russian ships, the Ukrainian ambassador to Ankara said earlier on Thursday. There has been no reaction yet to Ankara’s request.

Addendum: The Port of Odessa, located near Odessa, is the largest Ukrainian seaport and one of the largest ports in the Black Sea basin, with a total annual traffic capacity of 40 mmt (15 mmt of dry bulk and 25 mmt of liquid bulk). It is the primary port for grains and oilseeds.

The Sea of Azov is also important as a transportation corridor for coal and iron ore extracted from the nearby Donets basin, in eastern Ukraine, and for river traffic from Russia’s vast interior, traveling via the Volga-Don Canal. The Manych Canal also links directly to the Caspian Sea and its reserves of oil and natural gas.

- **Ships Sit Empty for Weeks Waiting for Delayed Brazil Soybeans**
  23 Feb 2022 Bloomberg - A backlog of vessels waiting to load soybeans from some Brazilian ports is stretching to near-record lengths as the world’s biggest bean exporter struggles to harvest and ship this season’s crop due to extreme weather.

  Following harvest woes and heavy rains that have made it challenging to dry and transport the beans, some boats have now been waiting for more than 40 days for their cargoes. That’s significantly longer than the seven to 15 days that’s typical, resulting in longer lead times, higher premiums and rising costs for buyers.

  “The lineup is growing when it should be going down in a clear message that not enough soybeans are making it to the ports,” said Marcos Pepe Bertoni, chief
operating officer at Corredor Logistica e Infraestrutura SA at the Tegram grain terminal.

The shipping delays come as bad weather has battered this season’s crops, with heavy rains in Mato Grosso state delaying the harvest even more than anticipated since wet beans need to be dried before being hauled to ports. Although the state’s harvest is further along than it was at this time last year, it’s still behind where experts expected it would be.

The country is now expected to export only 7.2 mmts this month, according to grain-exporter group Anec, below the 9 mmts forecast made in January.

Those delays are showing up in markets, with both U.S. and Brazilian soybean prices climbing. South American prices are usually the cheapest in the world starting in February, when the harvest starts, until the fall harvest in the U.S., but the lack of available soybeans in Brazil has pushed those prices even higher.

Due to the multi-week queue for loading, some big trading companies are now withdrawing cargoes from Port of Santos and sending them instead to ports in the Northern Arc, such as Itaqui and Barcarena. Bertoni said most of trains heading to Santos are not able to fill more than 60% of the initial schedule, driving some of the vessels to switch ports.

Panama Canal Announces Closures for Maintenance Work
February 24th, the east lane of the Panama Canal’s Miraflores Panamax Locks will be out of service for 12 hours for scheduled maintenance work. During the outage, the locks’ daily estimated transit capacity will be 25-27 vessels, down from their normal capacity of 34-36 vessels. On March 2nd, the Miraflores Panamax Locks’ west lane will be closed for scheduled maintenance. During the west lane closure, the locks’ estimated daily transit capacity will be reduced to 28-30 vessels (down from 34-36, normally). The locks’ exact transit capacity depends on vessel mix, transit restrictions, and other factors. The Panama Canal is a vital outlet for U.S. grain destined to Asia.

International Crop & Weather Highlights
Argentine farm belt rains bring some relief to soy, corn -exchange
24 Feb 24022 Reuters - Rainfall over the last 24 hours in Argentina's central farm belt and forecasts for strong precipitation in coming days is helping relieve parched corn and soybean crops, the Buenos Aires grains exchange said on Thursday, holding its harvest forecasts steady.

The 2021/22 soybean and corn crops have suffered from prolonged periods of drought since late last year, which has led to grains exchanges slashing forecasts, a major hit to the South American country that relies heavily on grains exports.

Argentina is the world's largest exporter of soybean oil and flour and the second larger exporter of corn.

The Buenos Aires exchange said that many areas still had a shortage of water, but that a slow-moving storm front would produce several days of intermittent rainfall, with storms in some areas bringing abundant precipitation to key farming zones.

"The rains we've seen, along with the wet forecast for the next few days, allows us to maintain the harvest outlook," the exchange said in a report. Its current outlook is for 42 million tonnes of soy and 51 million tonnes of corn.

The National Meteorological Service reported rains of between 15 and 50 millimeters (0.59 to 2 inches) since Wednesday in the Argentine agricultural nucleus, where plants are in key stages of development and the drought has been more aggressive.

Crop conditions remain delicately balanced, with a mixed picture over the last week. Regarding 2021/22 corn, the exchange said in its crop status report that the immediate weather conditions may improve the prospects for late-sown batches.

Argentina farmers have already completed planting soybeans and corn, with most plants now in important stages of yield development. Argentine producers have already started harvesting

Argentina’s farm sector asks court to suspend grain export taxes
22 Feb 2022 Reuters - Argentina’s farm sector has asked a federal court to rule taxes levied on grain exports as unconstitutional, a challenge that threatens a key source of the country's tax revenue.

Major farm group Argentine Rural Society (SRA) said late on Monday it had filed a case arguing that grain export taxes have been illegally charged since Jan. 1, 2022.

The farm group argued in a statement that the deadline for center-left President Alberto Fernandez to regulate grain export tax rates expired on Dec. 31, 2021, saying the 2022 budget bill - which would allow the fees to be extended - was not signed into law by that time.

SRA’s request would still need to go through several judicial steps but a potential rule in favor of the farmers would be a huge blow for the government, given that agriculture exports are a key source of much-needed foreign currency in Argentina, which has been long facing an economic crisis.

Fernandez’s administration has a tense relationship with the farm sector, having faced much criticism from farmers last year over interventions in the corn, wheat and beef markets.

Argentina currently charges taxes of 33% on soybean exports, 31% on soymeal and soy oil, and 12% on wheat and corn shipments. The South American country is one of the world’s largest grain suppliers.

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Agricultural Weather Highlights – Friday, 25th February 2022

In the West, freeze warnings are in effect again this morning across much of California’s Central Valley. On the 24th of February, Bakersfield, California, reported its first freeze in more than a year, since the 24th of December 2020. Dry weather prevails throughout the West, following some widespread, but generally light, precipitation. For the year to date, precipitation has totaled less than one-tenth of an inch in numerous California locations, including Fresno, Merced, Modesto, Sacramento, San Jose, and Stockton.

On the Plains, cold, dry weather prevails. For the fourth day in a row, sub-zero temperatures were noted as far south as the central Plains. Early today, Hastings, Nebraska, reported a daily-record low of -5°F. Winter wheat, already stressed in many areas by drought, has only a shallow or patchy snow cover, with some fields devoid of snow. According to USDA/NASS, more than one-third of the wheat is rated in very poor to poor condition in Texas (72%), Oklahoma (64%), Montana (58%), Colorado (40%), and Kansas (35%).

In the Corn Belt, snow lingers across the lower Great Lakes region, where cold, blustery weather prevails. In fact, cold conditions are in place throughout the region, with this morning’s low temperatures plunging below -20°F in northern Minnesota. Although snow broadly covers the Midwest, depths are highly variable. The most sustained and extensive snow coverage stretches from the Red River Valley of the North into the upper Great Lakes region.

In the South, a band of rain stretches from the mid-Atlantic to the Texas coast. The rain, in the vicinity of a cold front, separates unusually cold air from spring-like warmth. Today’s high temperatures will again reach 85°F or higher in parts of Florida. On February 22, Florida’s pastures were rated 70% in very poor to poor condition, as adverse impacts from last month’s freezes are being aggravated by the recent turn toward warm, dry weather.

Outlook: Cold, dry weather will cover much of the country through the weekend and into early next week. In California’s San Joaquin Valley, freezes should continue into the weekend. Warmth will linger, however, across the lower Southeast, including Florida. Meanwhile, exceptions to the dry pattern should include the Northwest, where showery weather will return on Saturday, and the South, where light rain will linger through the weekend. Little or no precipitation will fall during the next 5 days across southern Florida and from central and southern California to the Plains and much of the Midwest.
The NWS 6- to 10-day outlook for March 2 – 6 calls for the likelihood of near- or above-normal temperatures nationwide, except for cooler-than-normal conditions in northern California and the Northwest. Meanwhile, near- or above-normal precipitation across most of the country should contrast with drier-than-normal weather in the Southeast and from central and southern California to the southern Rockies.

Contact: Brad Rippey, Agricultural Meteorologist, USDA/OCE/WAOB, Washington, D.C. (202-720-2397)
Web Site: https://www.usda.gov/sites/default/files/documents/TODAYSWX.pdf

References

- Conversion Calculations
  - Metric Tonne = 1000 kg, approximately 2204 lbs.
  - American or Short Ton = 2000 lbs.
  - British Tonne or Long Ton = 2240 lbs.

- Metric Tonnes to Bushels:
  - Wheat, soybeans = metric tonnes * 36.7437
  - Corn, sorghum, rye = metric tonnes * 39.36825
  - Barley = metric tonnes * 45.929625
  - Oats = metric tonnes * 68.894438

- Metric Tonnes to 480-lbs Bales:
  - Cotton = metric tonnes * 4.592917

- Metric Tonnes to Hundredweight:
  - Rice = metric tonnes * 22.04622

- Area & Weight
  - 1 hectare = 2.471044 acres
  - 1 kilogram = 2.204622 pounds

- Marketing Years (MY)
  - MY refers to the 12-month period at the onset of the main harvest, when the crop is marketed (i.e., consumed, traded, or stored). The year first listed begins a country’s MY for that commodity (2021/22 starts in 2021); except for summer grains in certain Southern Hemisphere countries and for rice in selected countries, where the second year begins the MY (2021/22 starts in 2022). Key exporter MY’s are:

<table>
<thead>
<tr>
<th>Country</th>
<th>Start</th>
<th>End</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>Dec-Nov</td>
<td>Mar/Feb</td>
</tr>
<tr>
<td>Australia</td>
<td>Oct/Sep</td>
<td>Brazil</td>
</tr>
<tr>
<td>Canada</td>
<td>Aug/Jul</td>
<td>Russia</td>
</tr>
<tr>
<td>China</td>
<td>Jul/Jun</td>
<td>South Africa</td>
</tr>
<tr>
<td>European Union</td>
<td>Jul/Jun</td>
<td>Kazakhstan</td>
</tr>
<tr>
<td>India</td>
<td>Apr/May</td>
<td>Ukraine</td>
</tr>
<tr>
<td>Kazakhstan</td>
<td>Sep/Aug</td>
<td>United States</td>
</tr>
<tr>
<td>Russia</td>
<td>Jul/Jun</td>
<td>Ukraine</td>
</tr>
<tr>
<td>Turkey</td>
<td>Jun/May</td>
<td>Ukraine</td>
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<tr>
<td>Ukraine</td>
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</tr>
<tr>
<td>United States</td>
<td>Jun/May</td>
<td>United States</td>
</tr>
</tbody>
</table>

For a complete list of local marketing years, please see the FAS website (https://apps.fas.usda.gov/psdonline/): go to Reports, Reference Data, and then Data Availability.
March Crop Calendar

*Crop stage sensitive to moisture and temperature stresses.

U.S. Department of Agriculture (USDA)
Foreign Agricultural Service (FAS)
Office of Global Analysis (OGA)
International Production Assessment Division (IPAD)

https://ipad.fas.usda.gov/ogamaps/images/mar_calendar.gif