



# Top Headlines / Macro News / Upcoming Reports

- **Black Sea tension:** RUS launched several missile attacks against UKR power facilities last Friday, and many think this may be the start of RUS expected final offensive. Further, RUS criticized BSGI as taking too long to get vessels inspected, and their support for extension past 3/19 is waning.
- **CHINA:** Tensions rising between US & China, as US has now shot down 4 objects in NOAM in the last week.

## Recent/Upcoming Reports

- **USDA Outlook Forum 2/23-24...**

# Market Factors

Bullish vs Bearish



# Corn

## Futures...March ↑ 5-cents (0.4%)...

- Brazil: Cordonnier 22/23 est. production lowered 2 to 123 MT with neutral to lower bias going forward. First corn crop is 14% harvested vs. 23% YA. Safrinha corn 25% planted vs. 42% YA due to wet weather.
- Argentina: Cordonnier 22/23 est. production lowered one to 43 MT with a neutral to lower bias going forward. Corn is 99.1% planted.



### BULLISH MARKET FACTORS

- Arggie forecast remains dry
- Safrinha crop in late (a little)...
- U.S. & world supplies remain snug...
- U.S. export sales still behind YA, but gaining speed...



### BEARISH MARKET FACTORS

- YUGE Brazilian crop (if Mother Nature cooperates)...

# Wheat

- **Futures WoW:** Chicago ↑29¢ (+3.7%); KC ↑36¢ (+4.1%); and MPLS ↑9¢ (+0.9%)
- **INTERNATIONAL PRICING:** Friday's market, with WoW change in ( )... US-HRW, Fob Gulf = \$400 (+11); US-SRW, Fob Gulf = \$335 (+5); ARG, Fob BA = \$365 (-8); FRA, Fob Rouen = \$324 (+9); UKR = No Quote; RUS = No Quote, *but sources report trade @ \$304 (-3)*
- **RUSSIA:** SovEcon reporting Jan exports of 3.8 MMT (+90% YoY), and nearly a record. Strong shipments expected through Feb... RUS officials report that current sanctions on payments, logistics and insurance, are preventing a possible extension of the BSGI, due to expire on 3/19.



## BULLISH MARKET FACTORS

- “Putin Premium”
- US – WW conditions
- US ending stocks tight
- Specs are short



## BEARISH MARKET FACTORS

- AUS & RUS crops are YUGE!
- IND crop looks like record
- US Exports at 40-year low
- US winter wheat acres largest in 8 yrs

# Soy Complex

**Futures...Soybeans (H) ↑ 10 ½-cents (0.7%); SBO (H) ↑ 148 points (2.5%); SBM (H) ↑ \$2.90 (0.6%) ...**

- **Brazil:** Cordonnier 22/23 est. production unchanged @ 151 MT with neutral bias going forward. Soybeans 17% harvested vs. 24% YA.
- **Argentina:** Cordonnier 22/23 est. production lowered two to 36 MT with a neutral to lower bias going forward. 48% rated poor/very poor & only 13% rated good/excellent.
- USDA February WASDE was a yawner. USDA reduces crush but maintains SBO stocks near 1.9 B.
- Argentina forecast shows little rain chances in next 2 weeks



## BULLISH MARKET FACTORS

- U.S. supplies snug...
- Arggie weather remains dry...
- SBM closes in on \$500 mark...



## BEARISH MARKET FACTORS

- Record Brazilian crop; near 154 MMT
- USDA SBO stocks larger than expected
- U.S. SBO exports lowest in decades...

# Veg Oil

**FOB RBD...Palm (March) flat at \$950.... Canola (H) ↑ \$.60 (0.1%) ...**

- Market parked waiting on Indo gov't to make up mind!
- January stocks reported at 2.26 MMT, up flat to up 3%. Near top of range...
- Indo gov't now discussing limiting export licenses...
- SPPOMA Feb 1 – 10 production up 10.5%...
- Malaysia exports up 32.5% (AmSpec) & 39.3% (ITS)



## BULLISH MARKET FACTORS

- Indonesian gov't still playing with the levers...
- Exports rebounding in Feb...
- February stocks forecast lower...



## BEARISH MARKET FACTORS

- Stocks rose in Jan; counter-seasonal...

# Softs (Coffee, Cocoa, Sweeteners, OJ)

## Futures...

- Last Friday, 02/10/2023, spot FCOJ futures closed @ 252.55 vs. 241.75 WA vs. 136.55 YA but down sharply on Monday, 02/13/23, closing at 232.85, -19.70 vs. Friday's close.
- May cocoa finished the week with a loss of 15 points (0.6%) for third negative weekly result over past 4 weeks
- March coffee finished the week with a gain of 1.35 cents (0.8%) for fourth positive weekly result in a row
- March sugar finished the week with a gain of 5 ticks (0.3%) for third positive weekly result in a row



## BULLISH MARKET FACTORS

- In last week's USDA update, 22/23 US all orange forecast is 2.61 M tons, ▼3% vs. MA, ▼25% vs. YA; FL all orange forecast is 720,000 tons, ▼11% vs. MA, ▼61% vs. YA.
- USDA FAS estimates 22/23 Mexican orange production 4.2 MMT, ▼9% vs. YA due to prolonged drought in NE Mexico.
- U of FL economists estimate \$1.03 B losses of seasonal crops, livestock, nursery and aquaculture products that will not be harvested or marketed as a result of due to H. Ian (cat 4)
- Ghana & Nigeria continue to see negative impacts to their crops due to disease



## BEARISH MARKET FACTORS

- Brazilian co-op Cooxupe estimating 23/24 production will be larger than previous 2 seasons & expecting 24/25 could be record.
- Thailand's Cane & Sugar Board forecast their 22/23 sugar exports at 9 MT which would be over 15% increase from YA.

# Proteins

## Futures

- Futures: Live Cattle \$163.950 down .1% vs Last Week, up 7% vs Last Year
- Futures: Feeder Cattle \$186.4 up .2% vs Last Week, down .3% vs Last Year
- Futures: Lean Hogs \$83.325 down 3.6% vs Last Week, down 5.8% vs Last Year



### BULLISH MARKET FACTORS

- USDA forecasts beef production down 6.3% versus prior year
- Chinese market continues the process of opening after Covid restrictions. Lunar New Year saw increases in protein consumption



### BEARISH MARKET FACTORS

- USDA current forecast for pork production is up 1.6% versus previous year
- USDA forecast for broiler production up 1.1% versus 2022



# Proteins Prices – Weekly Average Price



		Current Week 2/11/2023	% Change from Last Week	% Change from Prior Year
<b>Beef</b>	Choice Beef Cutout	267.89	0.78%	-3.05%
	Rib, Primal, Choice	435.95	0.17%	11.65%
	Round, Primal, Choice	214.86	2.13%	-7.80%
	Chuck, Primal, Choice	211.17	-1.06%	-14.38%
	Fresh Beef 50's Trimmings	114.87	5.14%	1.00%
	Fresh Beef 90's Trimmings	255.67	1.95%	-9.53%
<b>Pork</b>	Pork Cutout	80.18	0.21%	-21.66%
	Ham, Primal	75.11	-1.97%	3.33%
	Belly, Primal	95.78	3.31%	-47.20%
	Loin, Primal	81.93	-0.34%	-21.03%
	Fresh Pork 72"s Trimmings	88.58	5.38%	-6.04%
<b>Poultry</b>	National Composite Whole Bird Index	121.50	0.26%	-2.71%
	National Leg Quarters	35.67	2.24%	N.A.
	National Breast B/S	121.14	6.24%	N.A.

# Dairy



- USDA Cheese Price forecast for 2023 = \$1.86... AES = \$1.88 (block cheddar)
- USDA Butter Price forecast for 2023 = \$2.33... AES = \$2.38



## BULLISH MARKET FACTORS

- USDA tempers 2023 milk production
  - Cow herd down 0.5% in 2022
  - Output per cow +0.62% in 2022, but lower in 2023
- EU & Oceania milk production expected flat
- US export demand strong in 2022, and 2023 is set up for a record year
- US drought conditions negatively affect milk production



## BEARISH MARKET FACTORS

- US milk production up slightly in '23
  - USDA +0.75%... AES +0.94%+0.3%
  - Producer returns should remain positive
- LaNina switching to ElNino??

# Dairy Weekly Update



CME Spot	2/6	2/7	2/8	2/9	2/10	2/13
Block Cheddar	\$1.85	\$1.8350	\$1.8725	\$1.8725	\$1.8625	\$1.8725
Grade AA Butter	\$2.38	\$2.3950	\$2.3950	\$2.4075	\$2.4125	\$2.4350

**CHEESE** – 7 blocks / 26 barrels traded last week... Market seems to lean bullish

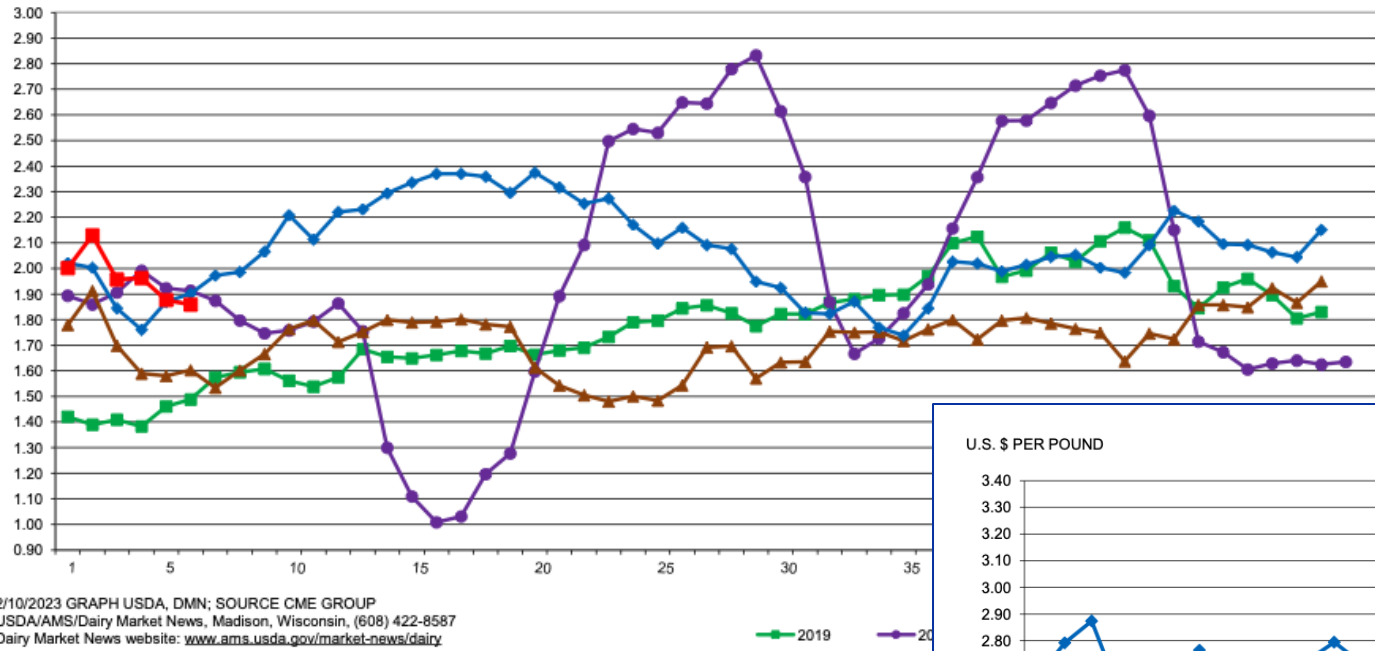
- Milk is plentiful, and still cheap... Midwest spot avg = \$7 under Class III (-\$1 YA; -\$3.15 5YA)
- Demand is mixed depending on region and retail/foodservice/export.
- December exports = 78.9 MM lbs... -4.6% MoM; +16.4% YoY... YTD exports = 995.1 MM lbs, +12.1%
- Q2 “all cheese” futures average = \$1.9200 (+.0187)
- International pricing: German edam = \$1.78 (-1.7%)... GDT cheddar = \$2.26 (+2.2%)

**BUTTER** – 9 lots traded... Spot prices inching higher throughout the week... back to \$2.40's

- Cream is available and butter makers continue running strong schedules
- Demand for retail and foodservice butter remains steady to firm
- Dec exports = 7.5 MM lbs... -59.7% MoM; -2.6% YoY... YTD exports = 144.1 MM lbs (record), +48.4%
- Midwest cream multiples = 122 (123 WA; 129 YA; 121 5YA)
- International prices: Dutch = \$2.11/lb (+1.4%)... German = \$2.02/lb (-0-)... GDT = \$2.16 (+6.7%)
- Q2 futures average = \$2.50404802 (+.0238)

U.S. \$ PER POUND

### CME Weekly Average Cash Cheddar Block Prices

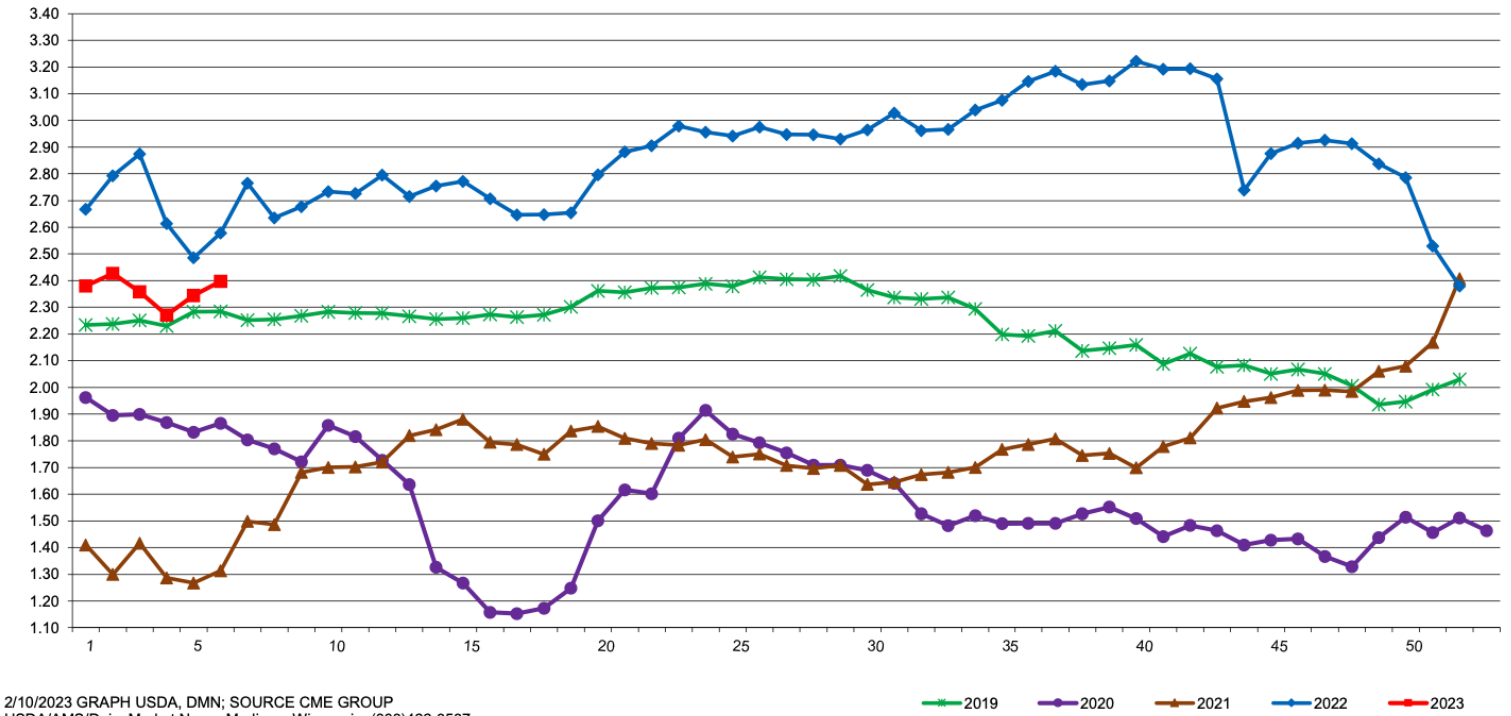


2/10/2023 GRAPH USDA, DMN; SOURCE CME GROUP  
USDA/AMS/Dairy Market News, Madison, Wisconsin, (608) 422-8587  
Dairy Market News website: [www.ams.usda.gov/market-news/dairy](http://www.ams.usda.gov/market-news/dairy)

—■— 2019 —●— 2020

U.S. \$ PER POUND

### CME Weekly Average Cash Grade AA Butter Prices



2/10/2023 GRAPH USDA, DMN; SOURCE CME GROUP  
USDA/AMS/Dairy Market News, Madison, Wisconsin, (608)422-8587  
Dairy Market News website: <http://www.ams.usda.gov/market-news/dairy>

—\*— 2019 —●— 2020 —▲— 2021 —◆— 2022 —■— 2023

# Currencies / Financial Markets



- US unemployment rate for January 3.4% down from 3.5% in December
- Weekly jobless claims 196,000 +13,000 from WA
- USD flat from last week.

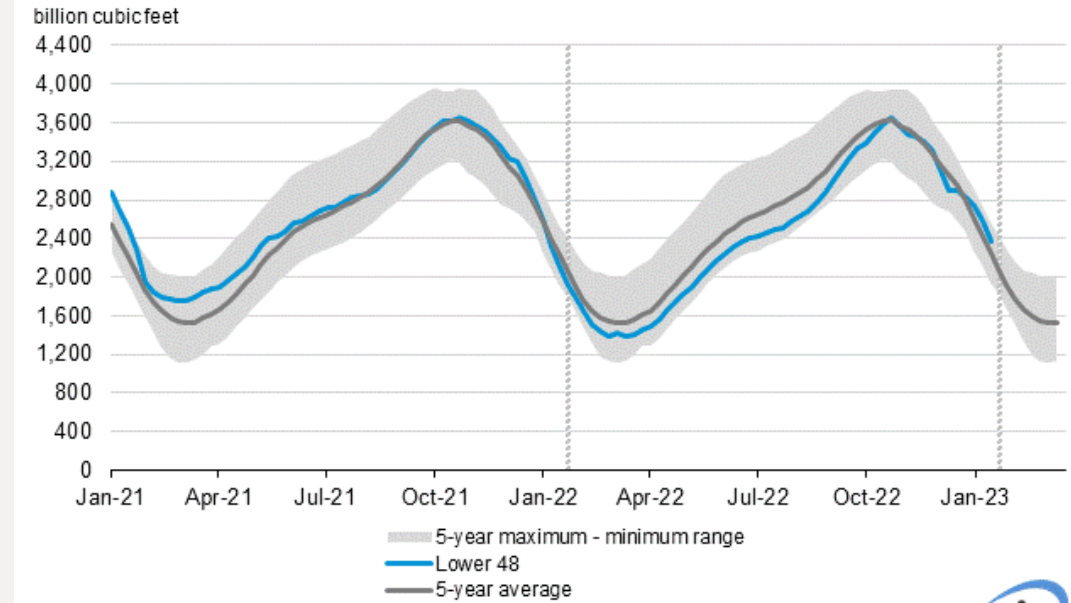
	Spot	Last Week	Last Year
US \$	103.260	103.630	96.293
CAD \$	1.333	1.340	1.272
Euro €	1.072	1.072	1.136
Chinese ¥	6.822	6.783	6.333
Brazilian R\$	5.160	5.210	5.159
Arg ₱	191.650	189.100	106.250

# Energy



- March nat gas ended the week 2.5140 up 10.4 cents for the week
- March crude oil up \$6.33 last week ending at \$79.72
- US natural gas stocks fell 217 Bcf but remain 250 Bcf above last year

Working gas in underground storage compared with the 5-year maximum and minimum



Data source: U.S. Energy Information Administration



	This Week	Last Week	Change
Baker Hughes Rig Count	609	599	+10
US Weekly Crude Oil Production	12,300	12,200	+100
Crude Stocks	455,100	452,700	+2,400

# Past week losers vs. gainers

