

Top Headlines / Macro News / Upcoming Reports

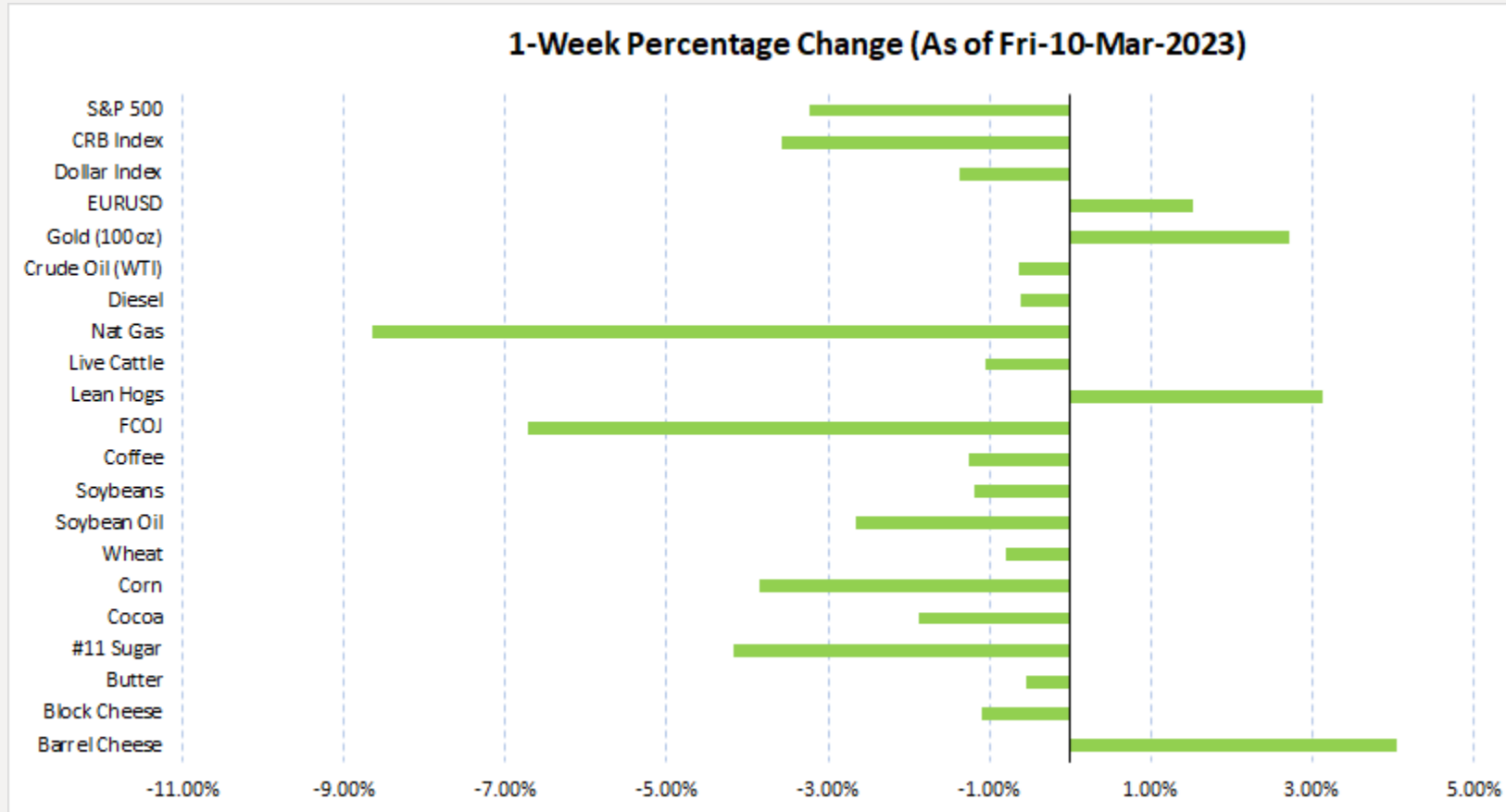


- **BSGI:** UN met with UKR last week, and met with RUS on Monday in Geneva, where RUS said it was open to extending for 60 days. Market still feels confident in an extension, despite expiration on Saturday ... President Xi from CHI reportedly ready to meet with both UKR & RUS soon in hopes of brokering peace.
- **US bank collapses:** Silicon Valley Bank and Signature Bank both collapsed over the weekend. SVB was the nations 16th largest bank, and its failure would be the 2nd largest in history, while SB would be the 3rd largest. POTUS tried to calm markets by claiming the banking system was still safe from further contagion and vowed stiffer banking regulations.

Recent/Upcoming Reports

- **USDA March WASDE (yawn): 3/8/23... See slides**

Past week's winners and losers



Market Factors

Bullish vs Bearish



Corn



Futures...March ↓ ANOTHER 22 ½-cents (3.5%)...down over 9% in the last month

- **Brazil:** Cordonnier 22/23 est. production unchanged at 121 MT with neutral bias going forward. First corn crop is 45% harvested.. Safrinha corn 81% planted vs. 94% YA.
- **Argentina:** Cordonnier 22/23 est. production lowered three to 37 MT with a neutral to lower bias going forward. Corn is rated 59% poor/ very poor and only 5% rated good/excellent.
- U.S. exports remain slow; shipments trail LY by 42%; sales by 39%.
- CONAB increases estimates corn production by .9 MMT to 124.7.



BULLISH MARKET FACTORS

- USDA reduces estimate of Argentine crop to 40 MMT...



BEARISH MARKET FACTORS

- Exports remain slow...
- USDA Outlook ST/use forecast at 13%

Wheat

- **Futures WoW:** CME ↓30¢ (-4.2%); KC ↓18¢ (-2.2%); and MPLS ↓48¢ (-5.5%)... ZWK23 -\$1.20 since 2/14
- **INTERNATIONAL PRICING:** Friday's market, with WoW change in ()... US-HRW, Fob Gulf = \$359 (-7); US-SRW, Fob Gulf = \$292 (-13); ARG, Fob BA = \$350 (-7); FRA, Fob Rouen = \$281 (-10); AUS, Fob Kwinana = \$325 (-3); UKR = No Quote; RUS = No Quote, *but trade reported @ \$285 (-5)*
- **RUS:** Winter wheat conditions very good – only 5-6% suffered winter damage
- **US-HRW conditions (G/Ex):** KS= 17% (unch); OK= 30% (-9); TX= 17% (-2); CO= 40% (NA)
- **GMO wheat:** Argentina, and now Brazil, have approved use of GMO wheat



BULLISH MARKET FACTORS

- “Putin Premium”... BSGI?
- US – HRW conditions poor
- US ending stocks tight
- Specs are short



BEARISH MARKET FACTORS

- World production continues to grow
- US acreage – WW acres largest in 8 yrs, and USDA Outlook total acres largest since 2016-17

Soy Complex

Futures...Soybeans (K) ↓ 11-3/4 -cents (0.8%); SBO (K) ↓ 458 points (7.5%); SBM (H) ↑ \$4.60 (1%) ...

- **Brazil:** Cordonnier 22/23 est. production unchanged @ 151 MT with neutral to slightly lower bias going forward. Soybeans 53% harvested vs. 57% Avg.
- **Argentina:** Cordonnier 22/23 est. production lowered three to 28 MT with a neutral to lower bias going forward. 71% rated poor/very poor & only 2% rated good/excellent.
- Soybean export sales finally stall; sales negative LW. YTD down 7% vs LY.
- CONAB lowers SB production estimate by 1.5 MMT to 151.4.



BULLISH MARKET FACTORS

- USDA reduces Arggie crop to 33 MMT; some estimates <30...
- Chinese SB demand back...
- RD plant startups?...



BEARISH MARKET FACTORS

- Brazilian harvest rolling (finally)...
- Spec remain record long SBM...
- Powell comments + lower energy prices + taking out Dec lows = BOOM!

Veg Oil

FOB RBD...Palm (May) ↓ \$60/MT at \$947.50 (6%).... Canola (H) ↓ \$44.70 (5.4%) ...

- MPOB Feb ending stocks at 2.1 MMT; down 7%; nobody cares...
- Palm Oil Conference on KL last week; outlook for mixed to higher prices....
- Canola seed prices collapse with sbo prices & negative China crush margins...
- Canadian canola seed crush up 12% vs LY; nearing 3-year average.
- Canola seed exports 37% ahead of LY and only trail the 3-year average by 4.5%.



BULLISH MARKET FACTORS

- POC outlook...
- SOAM SBO now price competitive w/Palm...
- RD plant startups?...



BEARISH MARKET FACTORS

- Competing oils take a tumble...
- Powell comments + lower energy prices + taking out Dec lows = BOOM!
- Chinese rapeseed crush margins turn negative...

Softs (Coffee, Cocoa, Sweeteners, OJ)



Futures...

- Last Friday, 03/10/2023, spot FCOJ futures closed @ 269.05 (highest spot close in 10 years) vs. 258.15 WA vs. 138.70 YA; USDA holds 22/23 US orange production largely unchanged from MA but still -25% vs. YA, FL -61% vs. YA, CA +14% vs. YA
- May cocoa finished the week with a loss of 56 points (2%) for second negative weekly result in last three weeks.
- May coffee finished the week with a loss of .05 cents for second negative weekly result in a row.
- March sugar finished the week with a gain of 24 ticks (1.1%) for second positive weekly result in a row.



BULLISH MARKET FACTORS

- Many analysts still projecting second global cocoa production deficit in a row for 22/23 season; 22/23 stocks to use estimated at 32.9 for second lowest reading since 1984/85.
- Short coffee exports coming out of Brazil and Colombia this season.
- SPEC's move from net short to net long in coffee as of 2/21 data.
- Rainfall estimates reduced in India and Thailand sugar growing regions.



BEARISH MARKET FACTORS

- West African mid-crop harvest hitting full speed next month which should ease the tight near term supply situation.
- Overall across the board pressure from equity / stock market fallout.

Proteins

Futures

- Futures: Live Cattle \$164.275 down .7% vs Last Week, up 7% vs Last Year
- Futures: Feeder Cattle \$197.650 up .8% vs Last Week, up 10.2% vs Last Year
- Futures: Lean Hogs \$87.450 up 3.4% vs Last Week, down 5.4% vs Last Year



BULLISH MARKET FACTORS

- Beef demand has continued to remain strong despite higher prices
- Poultry demand remains strong as consumers trade between proteins. Exports have also had a strong start, up 13% versus last year



BEARISH MARKET FACTORS

- USDA revises beef production up from previous report. Prior report was a 6.8% reduction, current report calls for a 5.7% reduction
- USDA forecasts U.S. pork production up 1.5% versus 2022

Proteins Prices – Weekly Average Price



		Current Week 3/11/2023	% Change from Last Week	% Change from Prior Year
Beef	Choice Beef Cutout	286.48	-0.73%	12.92%
	Rib, Primal, Choice	462.96	-0.87%	22.41%
	Round, Primal, Choice	224.92	-1.32%	3.33%
	Chuck, Primal, Choice	227.78	-1.11%	9.84%
	Fresh Beef 50's Trimmings	126.58	2.79%	18.12%
	Fresh Beef 90's Trimmings	265.42	0.62%	-6.65%
Pork	Pork Cutout	87.64	2.59%	-16.78%
	Ham, Primal	88.23	5.06%	5.35%
	Belly, Primal	102.57	2.11%	-45.21%
	Loin, Primal	84.74	0.27%	-15.45%
	Fresh Pork 72"s Trimmings	97.93	-2.76%	6.95%
Poultry	National Composite Whole Bird Index	127.60	2.20%	-9.23%
	National Leg Quarters	40.80	5.81%	N.A.
	National Breast B/S	135.99	2.91%	N.A.

Dairy



- 2023 US exports off to a strong start... +13.2% YoY
 - Cheese +15.6%... Butter +3.8%



BULLISH MARKET FACTORS

- US 2023 dairy exports off to a strong start
- US dairy cow slaughter +5% YTD
- Global milk production is mixed, with EU expected flat, and Oceania down to start their season



BEARISH MARKET FACTORS

- US milk production +1.3% in Jan
- LaNina beginning to switch to ElNino
- US cow output +0.9% in Jan
- US producer margin still positive

Dairy Weekly Update



CME Spot	3/6	3/7	3/8	3/9	3/10	3/13
Block Cheddar	\$1.9150	\$1.8450	\$1.7975	\$1.8250	\$1.78	\$1.81
Grade AA Butter	\$2.3450	\$2.3450	\$2.33	\$2.3325	\$2.3325	\$2.38

CHEESE – 4 blocks / 50 barrels traded last week (largest in 20 yrs)...

- Milk is cheap and available... Midwest spot avg = \$8.00 under Class III (-\$6.25 WA; -\$2.40 5YA)
- Cheesemakers are busy across the nation, as demand is steady to strong for all sectors
- Inventories are generally available across the country, but tighter in the Midwest
- US Jan exports = 75.0 MM lbs, +15.6% YoY (largest Jan total in 20 years), -4.5% MoM
- Q2 “all cheese” futures average = \$1.7800 (-.0840)
- International pricing: German edam = \$1.60 (-0-)... GDT = \$2.05 (-11.1%)

BUTTER – 3 lots traded...

- Cream supplies are ample, and butter churning schedules remain strong
- Demand for butter is steady to lighter in East/West, but stronger in the Central region
- US Jan exports = 7.5 MM lbs, -3.8% YoY (largest Jan total in 20 years), -0-% MoM
- Midwest cream multiples = 123 (122 WA; 128 YA; 122 5YA)
- Q2 futures average = \$2.3887 (-.0200)
- International prices: Dutch = \$2.24/lb (-2.2%)... German = \$2.17/lb (-5.7%)... GDT = \$2.22 (-0.5%)

Currencies / Financial Markets



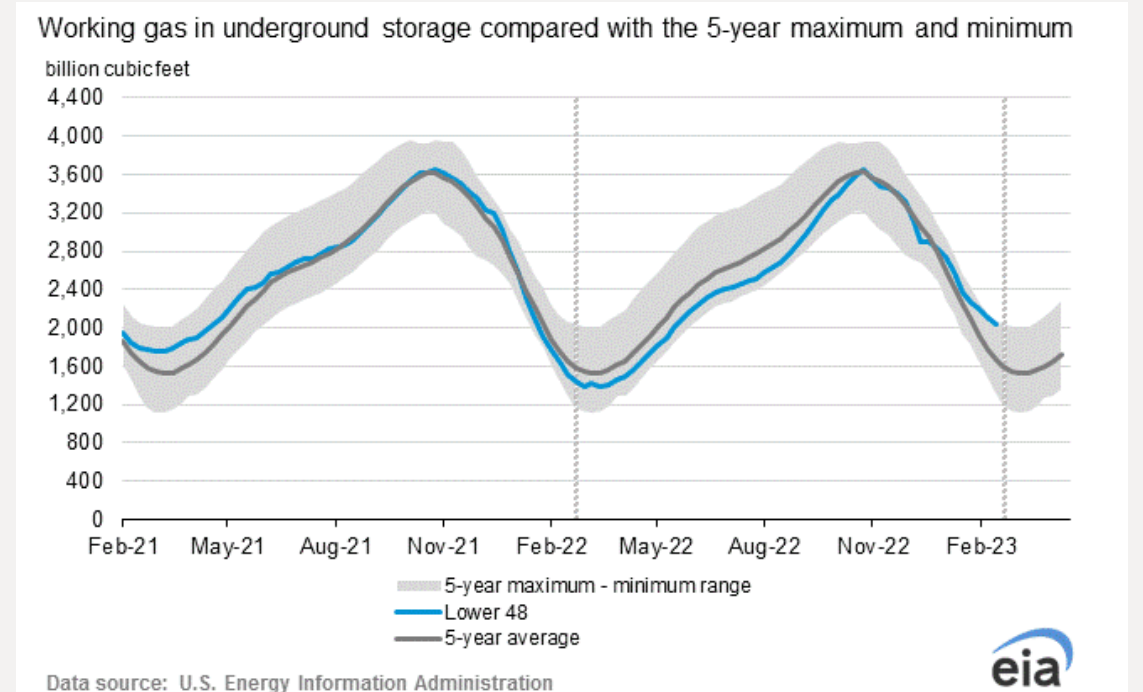
- Weekly jobless claims 211,000 +21,000 from WA
- The next FOMC meeting is March 20-21
- Markets reacting to the SVB bank failure.

	Spot	Last Week	Last Year
US \$	103.610	104.250	99.099
CAD \$	1.373	1.361	1.282
Euro €	1.073	1.068	1.094
Chinese ¥	6.854	6.950	6.360
Brazilian R\$	5.251	5.153	5.119
Arg ₳	200.640	199.340	109.190

Energy



- April nat gas ended the week \$2.430 down 57.90 cents for the week
- April crude oil down \$ 3.00 last week ending at \$76.68
- Natural gas stocks continue to sit near the 5-year high as we head out of the winter heating season



	This Week	Last Week	Change
Baker Hughes Rig Count	590	592	-2
US Weekly Crude Oil Production	12,200	12,300	-100
Crude Stocks	478,500	480,200	-1,700