

Top Headlines / Macro News / Upcoming Reports



- **US-WW Conditions:** G/EX nationally -1, to 27%, and ties the lowest on record (1996). Without quick, significant change in weather pattern, HRW yield will be dramatically lower (10-15%) SRW significantly better.
- **RUSSIA:** RUS foreign minister Lavrov said they are prepared to operate outside of BSGI, if no changes are made (SWIFT banking system biggest condition). IF deal not extended, UKR will have to go back to land & river routes for exports

Recent/Upcoming Reports

- **USDA April WASDE: 4/11**

Market Factors

Bullish vs Bearish



Corn

Futures...May ↓ 17 -cents (2.6%)...

- **Brazil:** Cordonnier 22/23 est. production up 2 to 123 MT with neutral to higher bias going forward. First corn crop is 60% harvested..
- **Argentina:** Cordonnier 22/23 est. production unchanged at 36 MT with a neutral to lower bias going forward... Corn is 10.4% harvested.
- **US:** 3% planted vs. 2% YA & 2% avg.



BULLISH MARKET FACTORS

- Possible acreage losses...



BEARISH MARKET FACTORS

- Planting weather improving...
- Soil moisture good...
- Brazil weather good (so far)...

Wheat

- **Futures WoW:** CME ↓17¢ (-2.4%); KC ↓7¢ (-0.8%); and MPLS ↓8¢ (-0.8%)...
- **INTERNATIONAL PRICING:** Friday's market, WoW change in ()... US-HRW, Fob Gulf = \$387 (-3); US-SRW, Fob Gulf = \$289 (-6); ARG, Fob BA = \$349 (+4); FRA, Fob Rouen = \$292 (-1); AUS, Fob Kwinana = \$324 (+4); UKR = NQ, *trade* @ \$272 (-8); RUS = NQ, *trade* @ \$275 (-2)
- **US-WW conditions (G/Ex):** National 27% (-1)... SRW 6-state avg = 65.8% (+3.7); HRW 6-state avg = 21.2% (-0.3)



BULLISH MARKET FACTORS

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



BEARISH MARKET FACTORS

- Downside limited
- US – WW conditions... SRW quite good
- World production continues to grow
- US - WW acres grow even more

Soy Complex

Futures: SB (K) ↓ 13-cents (0.9%); SBO (K) ↓ 96 points (1.7%); SBM (K) ↓ \$11.70 (2.5%)...

- **Brazil:** Cordonnier 22/23 est. production up 2 to 153 MT with neutral bias going forward. Soybeans 82% harvested vs. 84% YA.
- **Argentina:** Cordonnier 22/23 est. production unchanged at 26 MT with a neutral to lower bias going forward... Soybeans about 4% harvested.



BULLISH MARKET FACTORS

- WTI remains in the \$80's...
- Tight stocks forecast...



BEARISH MARKET FACTORS

- Brazilian BIG crop getting bigger...
- Brazil launched “soy dollar” program AGAIN...

Veg Oil

FOB RBD...Palm (May) ↑ \$22.50/MT at \$972.50 (2.4%).... Canola (K) ↑ \$3.50 (0.5%) ...

- MPOB March ending stocks decline to 1.673 MMT; much lower than expectations...
- MPOB production up 3% much better than expected; offers hope of better stocks later in year...
- Canadian canola seed crush up 13.4% vs LY and slightly ABOVE the 3-year average.
- Canola seed exports 50.7% ahead of LY and trails the 3-year average by 2.7%.



BULLISH MARKET FACTORS

- MPOB March stocks below expectations...
- Canada finds better canola seed demand...



BEARISH MARKET FACTORS

- MPOB production much better than expected...

Softs (Coffee, Cocoa, Sweeteners, OJ)

Futures...

- Last Friday, 04/06/2023, spot FCOJ futures closed @ 275.50 vs. 269.50 WA.
- May cocoa finished the week with a loss of 14 points (0.5%) to break 3 week winning streak.
- May coffee finished the week with a gain of 13.10 cents (7.7%) for second positive weekly result over past 3 weeks.
- May sugar finished the week with a gain of 136 ticks (6.1%) for third positive weekly result in a row.



BULLISH MARKET FACTORS

- Tight near term West African cocoa supply
- Ivory Coast mid-crop production could be as much as 10% below YA
- Global cocoa production deficit still expected due to lack of fertilizers
- India's food secretary signaling they may not provide any sugar exports this season



BEARISH MARKET FACTORS

- Current Brazilian coffee crop looking to come in higher than original production estimates

Proteins

Futures

- Futures: Live Cattle \$171.075 up 1.6% vs Last Week, up 10.7% vs Last Year
- Futures: Feeder Cattle \$200.625 down .1% vs Last Week, up 11.9% vs Last Year
- Futures: Lean Hogs \$74.150 down 1.5% vs Last Week, down 21.7% vs Last Year



BULLISH MARKET FACTORS

- Nearby beef cash markets remain strong as buyers are concerned with extending ownership on potentially weak demand
- Exports for pork were up 3.7% in February, rumors China is dealing with more ASF outbreaks



BEARISH MARKET FACTORS

- USDA March report revised up the level of inventory for hogs, this aligns more closely with the cash market declines
- The lack of demand for pork with increasing supplies continues to push markets lower

Proteins Prices – Weekly Average Price



		Current Week 4/8/2023	% Change from Last Week	% Change from Prior Year
Beef	Choice Beef Cutout	288.46	2.83%	6.64%
	Rib, Primal, Choice	454.92	0.36%	7.97%
	Round, Primal, Choice	223.75	3.36%	0.34%
	Chuck, Primal, Choice	232.54	4.33%	10.68%
	Fresh Beef 50's Trimmings	150.57	4.50%	13.26%
	Fresh Beef 90's Trimmings	275.81	0.75%	-2.35%
Pork	Pork Cutout	77.66	-2.33%	-25.41%
	Ham, Primal	69.97	-2.56%	-8.64%
	Belly, Primal	82.10	-4.83%	-54.90%
	Loin, Primal	79.77	-1.32%	-18.76%
	Fresh Pork 72"s Trimmings	77.88	-5.27%	-25.79%
Poultry	National Composite Whole Bird Index	138.26	2.11%	-15.76%
	National Leg Quarters	44.81	1.84%	N.A.
	National Breast B/S	132.54	-1.49%	N.A.



BULLISH MARKET FACTORS

- Export demand for cheese is strong
- Dairy cow slaughter is currently higher than prior year and is forecasted to continue to move higher through the year
- Feed costs still high and producer margins have been squeezed
- Weather in Western region could slow production



BEARISH MARKET FACTORS

- Milk and cream readily available with milk in some regions trading well below class prices
- Spring flush could help move product prices lower in the short term

Dairy Weekly Update



CME Spot	4/3	4/4	4/5	4/6	4/7	4/10
Block Cheddar	\$1.80	\$1.8150	\$1.8125	\$1.83	HOLIDAY	\$1.8550
Grade AA Butter	\$2.35	\$2.3275	\$2.3175	\$2.3175	HOLIDAY	\$2.35

CHEESE – 16 blocks / 15 barrels traded... Ample supplies keeping pressure on the market

- Milk is still available, and cheap... Midwest avg was \$7.50 under Class III (-\$7.00 WA)
- The West is running strong, while the Northeast is operating below capacity in many areas
- Cheese inventories are adequate, but more barrels than blocks
- Demand for cheese is strong to steady, from retail to food service
- Q2 “all cheese” futures average = \$1.8757 (-.0466)... International pricing: GDT = \$1.89 (+2.8%)

BUTTER – 7 lots traded...

- Cream supplies remain ample, especially in the West, and butter makers are running busy schedules
- Butter demand is strong in the East, while the Central region is mixed, and the West is steady
- Butter inventories are variable right now, but are expected to generally grow in the coming weeks Cream prices cheaper again... Midwest multiples = 124 (126 WA)
- Q2 futures average = \$2.3658 (-.0384)... International prices: GDT = \$2.08 (-3.2%)

Currencies / Financial Markets



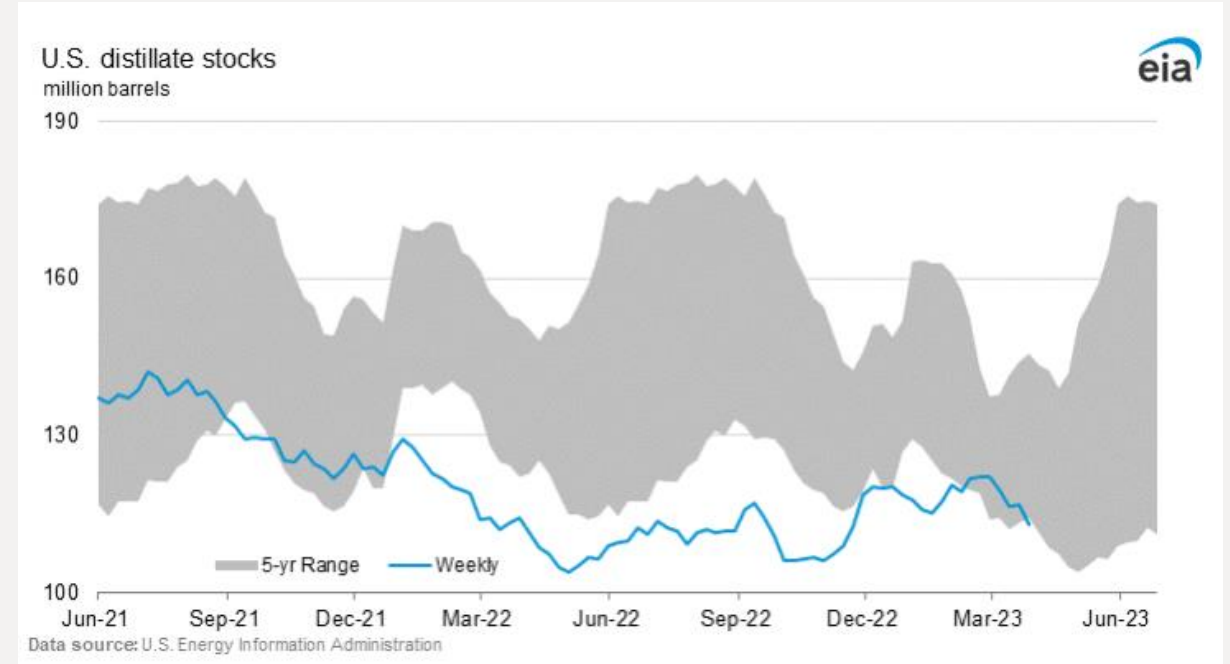
- Weekly jobless claims 228,000 -18,000 from WA (last weeks numbers were revised by the Dept of Labor).
- March unemployment edged higher to 3.5% with nonfarm payroll up by 236,000.
- Unemployment rates and data has had little change since November 2022.

	Spot	Last Week	Last Year
US \$	102.580	102.040	99.957
CAD \$	1.351	1.344	1.263
Euro €	1.086	1.090	1.088
Chinese ¥	6.893	6.876	6.376
Brazilian R\$	5.078	5.063	4.694
Arg ₳	213.370	210.340	112.470

Energy



- May natural gas ended the week \$2.011 down 20.16 cents for the week
- May crude oil up \$5.03 last week ending at \$80.70. Up over \$10 in two weeks.
- Distillate (diesel fuel) stocks continue to sit at the bottom of the 5-year range with good demand and lower production.



	This Week	Last Week	Change
Baker Hughes Rig Count	590	592	-2
US Weekly Crude Oil Production	12,200	12,200	0
Crude Stocks	470,000	473,700	-3700

Past week's winners and losers

