



### Since Friday's Settlement

SOY	1292.25	0.5%
SBO	52.94	-1.7%
MEAL	386.20	1.8%
CORN	591.00	-0.4%
CHI W	777.75	0.4%
KC W	813.25	0.4%
MN W	1019.75	-0.3%
OATS	662.25	-5.7%

*In a mainly outside commodity outside session, we saw a quiet day for the CBOT agriculture markets as fund activity speaks for itself. Funds added 4,000 net long soybeans, 1,000 Chicago wheat, and sold 3,000 corn. As expected, soybean oil closed lower, meal higher and soybeans higher. Wheat saw a two-sided trade, ending higher in KC and Chicago while MN wheat ended unchanged to lower. Corn closed lower on lack of fresh news. Southern Brazil and Argentina will trend drier that is expected to continue for the next couple of weeks. That may have limited losses. Today was the last full day of fall and Tuesday will be the official first day of North American winter. Much of the upper US will see temperatures will plunge below freezing shortly after the New Year.*

*CBOT ags close normal time Thursday. Closed Thursday night/Fri dec 24th . Re-open Sunday night dec 26th regular time. <https://www.cmegroup.com/tools-information/holiday-calendar.html>*

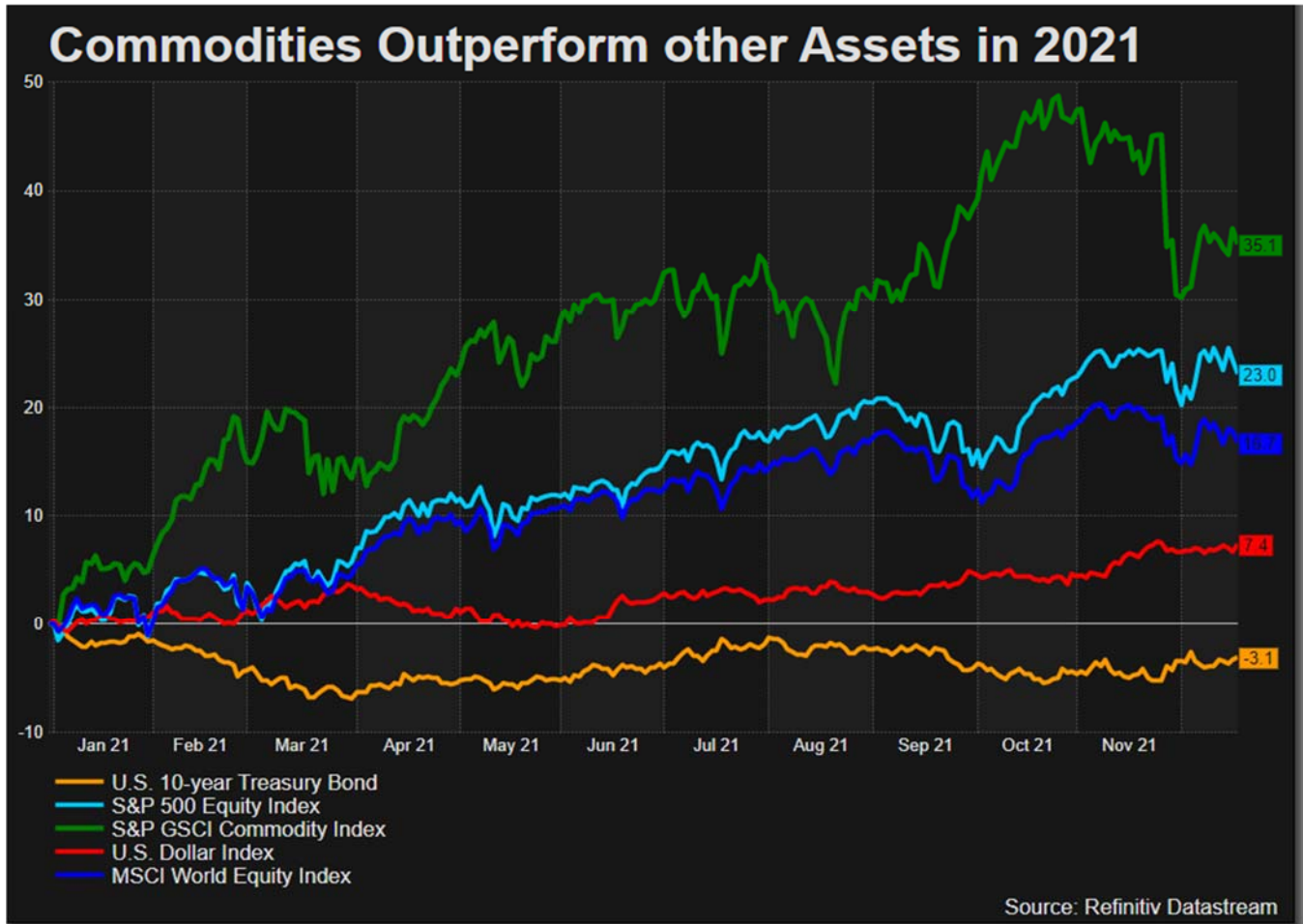
	Corn	Bean	Chi. Wheat	Meal	Oil
FI Est. Managed Fut. Only	336	60	(18)	47	46
FI Est. Managed Money F&O	347	61	(15)	47	46

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Source: Reuters



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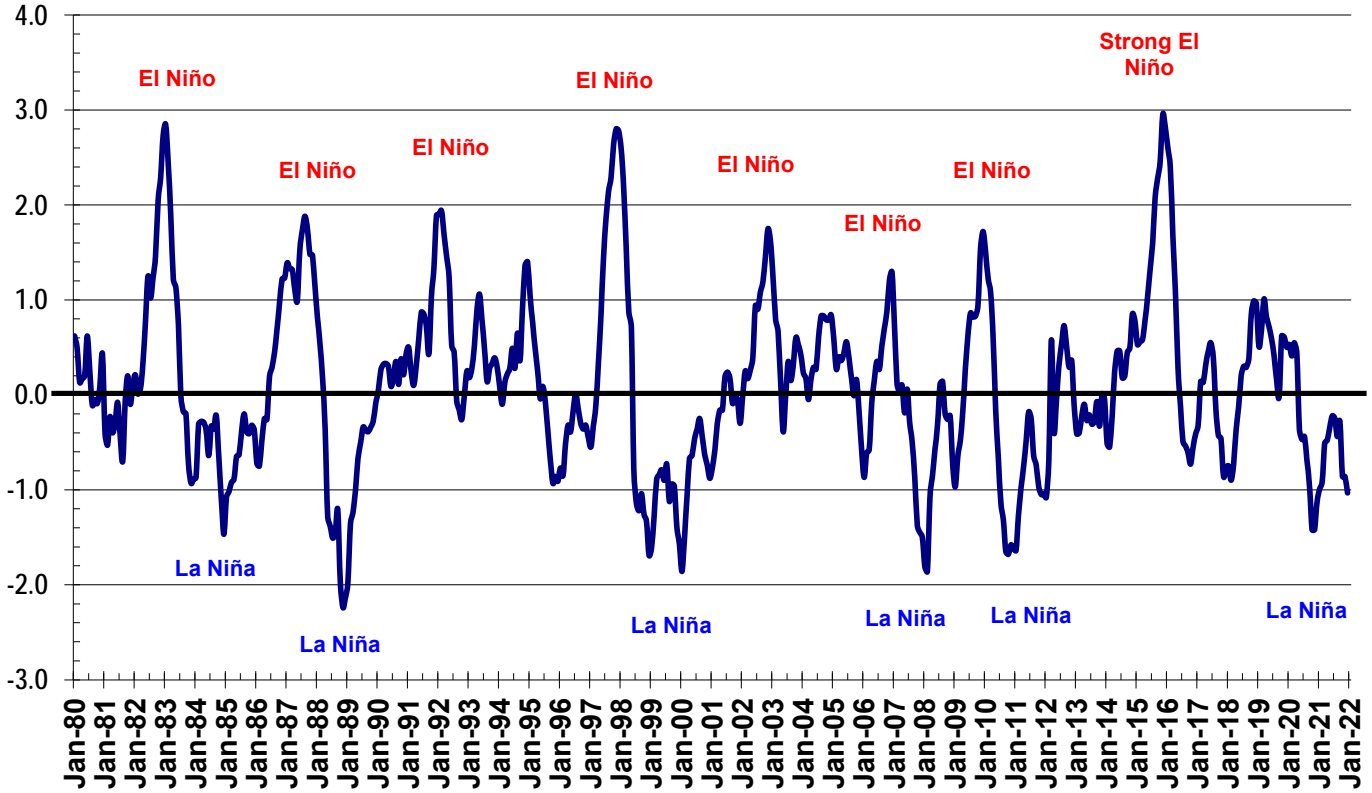
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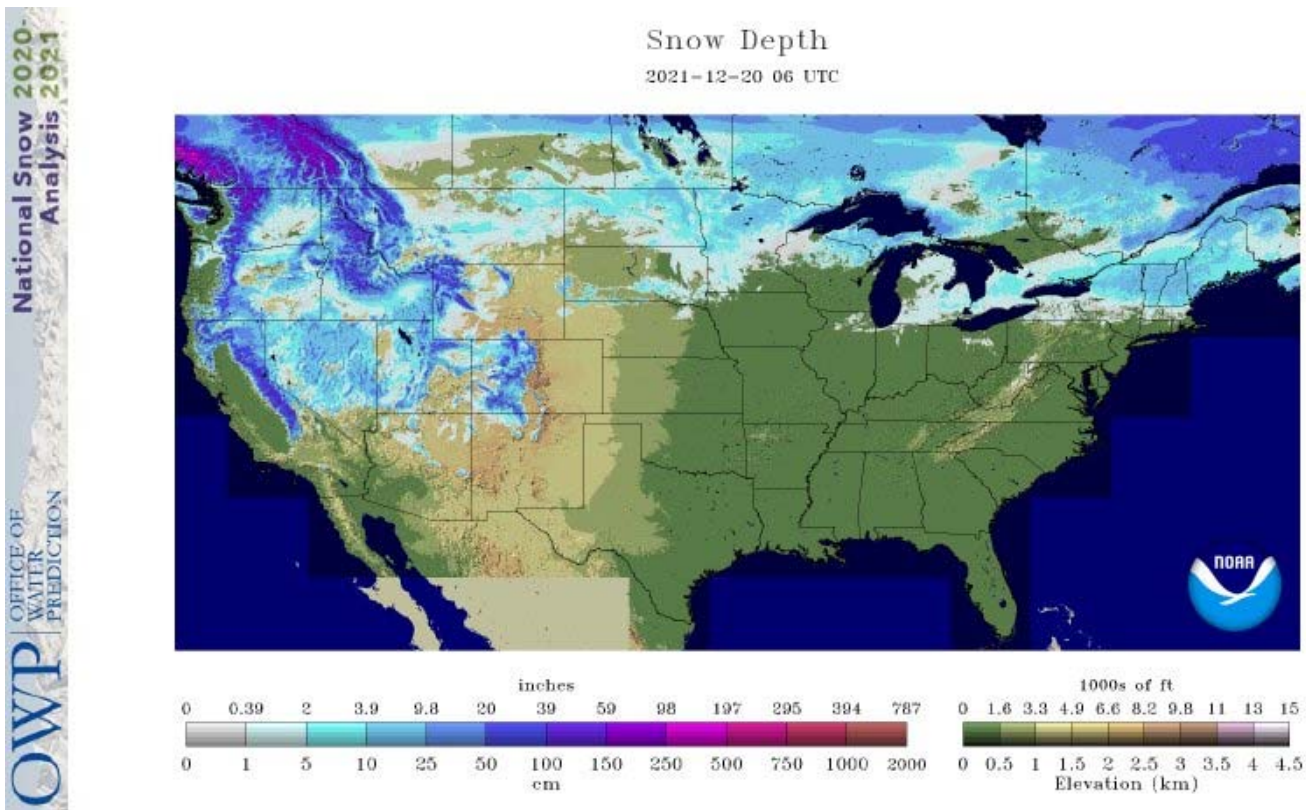
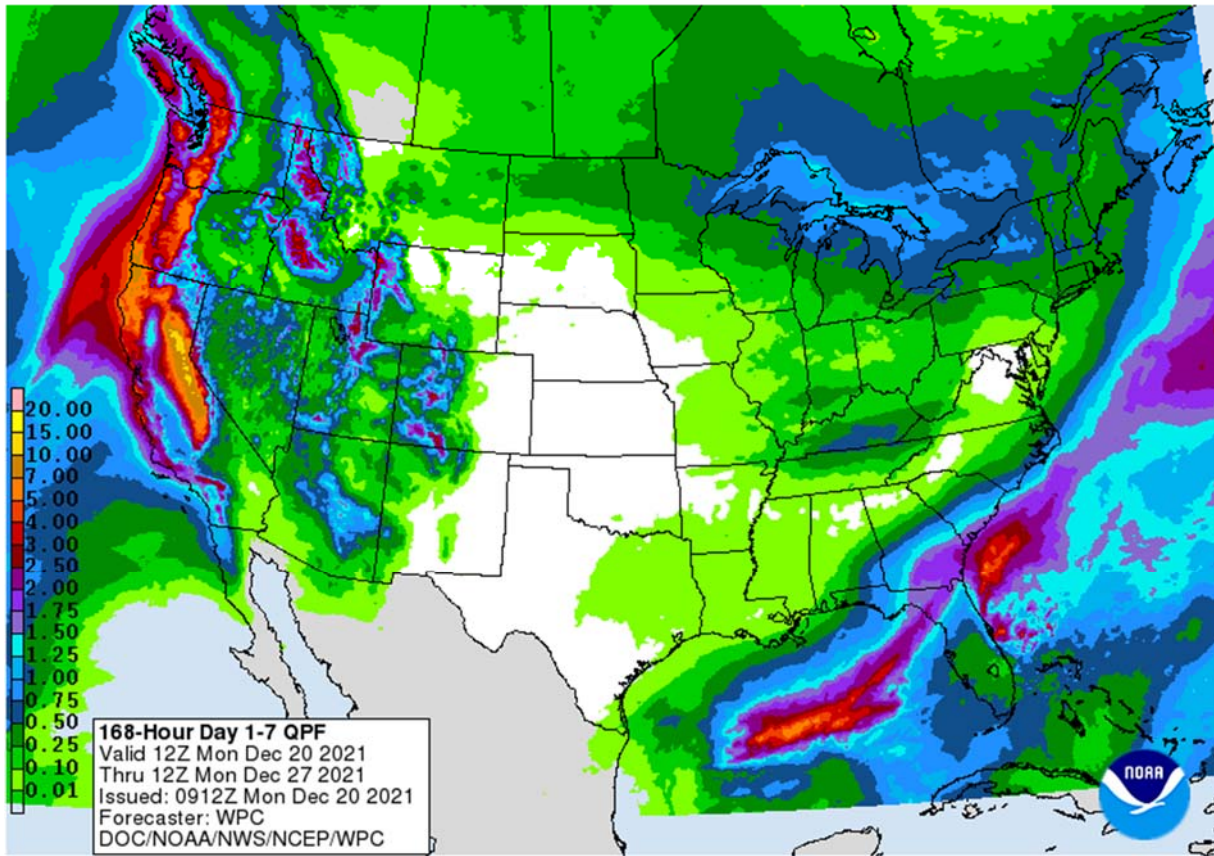
Weather

Eastern Pacific Sea-Surface Temperature Anomalies 3.4 through mid November



Source: NOAA, FI Current month partial-from weekly data



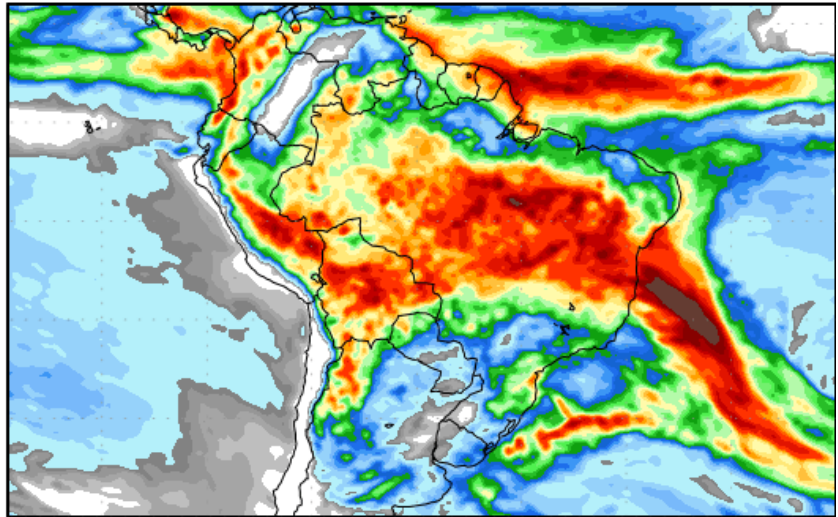
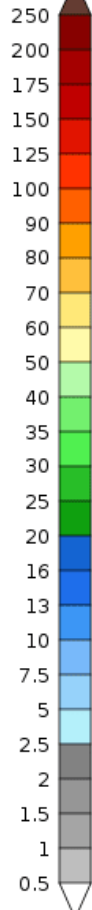


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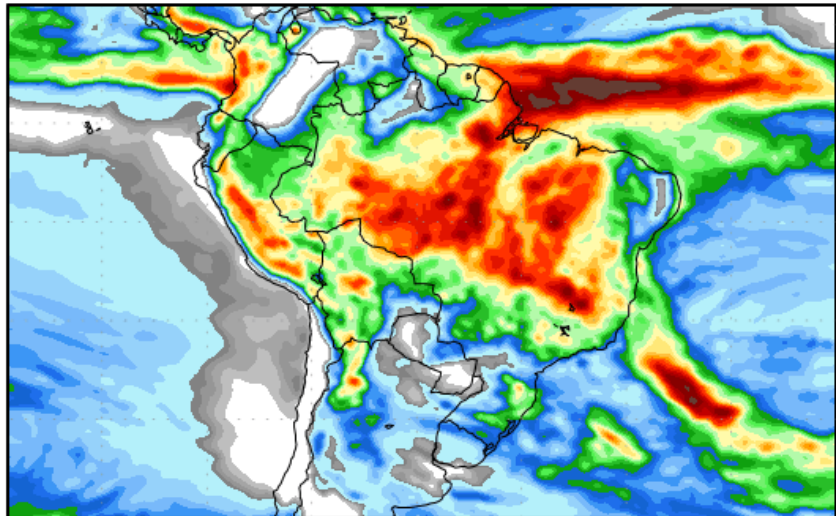
# Precipitation Forecasts

Precipitation (mm)  
during the period:

Mon, 20 DEC 2021 at 00Z  
-to-  
Tue, 28 DEC 2021 at 00Z

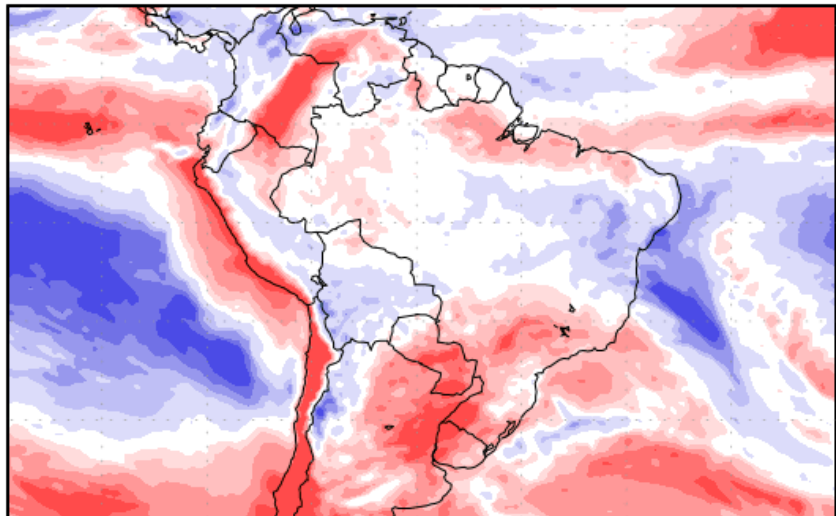
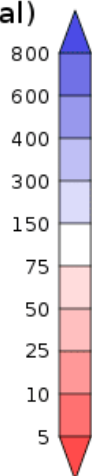


Tue, 28 DEC 2021 at 00Z  
-to-  
Wed, 05 JAN 2022 at 00Z



Precipitation (% of normal)  
during the first period:

Mon, 20 DEC 2021 at 00Z  
-to-  
Tue, 28 DEC 2021 at 00Z



Precipitation forecasts from the National Centers for Environmental Prediction.  
Normal rainfall derived from Xie-Arkin (CMAP) Monthly Climatology for 1979-2003.  
Forecast Initialization Time: 00Z20DEC2021



## World Weather Inc.

### WEATHER EVENTS AND FEATURES TO WATCH

- Argentina rainfall during the weekend was confined to La Pampa, southern Cordoba, parts of southeastern San Luis and far western parts of Buenos Aires where 0.20 to 1.07 inches occurred most often.
  - Northeastern La Pampa reported 1.58 to 2.68 inches with Santa Rosa wettest
  - Sporadic showers occurred in far northwestern Argentina, but most key crop areas failed to get significant rain
  - All other areas were dry and warm with highs mostly in the 90s Fahrenheit except in far northern cotton, grain and oilseed areas where extremes of 95 to 108 resulted
- Argentina rainfall will be restricted over the next two weeks with next week drier than this week
  - Showers this week will occur periodically with daily rainfall less than 0.60 inch
    - Most areas will get at least a little rain at one time or another, but much of it may not counter evaporation very well
  - High temperatures in the middle 80s through the 90s are expected most days with extremes over 100 in the north
    - Evaporation should outpace the rainfall leading to net drying, but drying will be slowed because of the precipitation and higher relative humidity
  - Very little rain will fall next week and accelerated drying rates are expected
  - The bottom line for this week will still be favorable for most crops in the nation, despite net drying and warmer than usual temperatures. Next week's moisture stress could be more serious, though, because of little to no rain and continued warm temperatures. Faster drying rates are expected next week because of little to no rain.
- Brazil weekend precipitation continued frequently from Mato Grosso to southern Bahia, Minas Gerais and northern Sao Paulo where rain totals varied from a few hundredths of an inch to 2.00 inches most often
  - Some local totals to more than 3.00 inches occurred in central Goias
  - Rain in northwestern Rio Grande do Sul into a few neighboring areas of Misiones, Argentina, western Santa Catarina and southeastern Paraguay, but most of that rain was very light
    - Up to 0.39 inch of rain resulted in northwestern Rio Grande do Sul
  - Most other areas were left dry
  - Temperatures were seasonable resulting in net drying for much of southern Brazil
- Southern Brazil will continue to experience a traditional impact from La Nina over the next two weeks with below average precipitation in the south as well as in Paraguay, Uruguay and eastern Argentina
  - Totally dry weather is unlikely and there will be enough rain to slow drying rates which may protect production potentials for some areas, but not all
    - Rainfall will continue lightest and most infrequent in northern and western Parana, southwestern Sao Paulo, southeastern Mato Grosso do Sul and southeastern Paraguay where crop stress is most probable
    - Rainfall from southern and eastern Parana into Rio Grande do Sul will vary from 0.30 to 1.25 inches with local totals over 2.00 inches during the coming ten days
      - Net drying is still expected, but with some periodic rain expected the drying will be slow enough that crop stress will be subdued and pocketed helping to keep potential production losses in check for a while
        - That does not mean there will not be additional crop stress and yield losses, but the situation could be much worse without the showers and thunderstorms occurring sporadically
          - Any missed rain could have a greater impact on production.

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- Temperatures will be near to above normal
- Northern Brazil will continue to see frequent rain and thunderstorms through the next two weeks.
  - Mato Grosso, Goias, Tocantins, Bahia and Minas Gerais will be wettest with some potential for excessive moisture at times
    - Local flooding will be possible as time moves along, but the impact on production should be relatively low unless it prevails into the harvest season
- The bottom line for Brazil is still mostly good, but losses to corn and rice yields in the south will continue and soybean yields will slip a little lower in the driest areas, but the region's impacted by the most significant dryness is small enough to avoid a serious decline in national production. A large crop is still expected for the nation, despite some of the lower yields in the south. A close watch on January weather will be warranted due to the potential for a little too much rain in northern production areas. Bahia, Goias, Tocantins and parts of Minas Gerais may be wettest next month. Late season soybeans and full season corn face the greatest potential for yield losses.
- Heavy rain fell Friday into Saturday from eastern Oklahoma through southeastern Missouri and northern Arkansas into southern Illinois
  - Rain totals ranged from 1.00 to 3.00 inches with a few totals of 3.00 to 4.00 inches in southern Missouri and northwestern Arkansas where some flooding resulted
  - Lighter precipitation occurred in the Tennessee River Basin, eastern Midwest and southeastern states
    - Some heavier rain occurred in southern Alabama and Georgia where rainfall of 1.50 to more than 3.00 inches resulted.
    - Rainfall of 1.00 to 3.00 inches also occurred in eastern Texas and in parts of Louisiana
  - The only other precipitation of significance occurred in coastal Washington and Oregon where 1.00 to 4.00 inches of moisture resulted
  - Most other areas in the nation were left dry or mostly dry; including West Texas, hard red winter wheat areas, central and southern California and the northern Plains and western Corn Belt
  - Temperatures were cold in the northern Plains for a while during the weekend with lowest temperatures in the negative teens and negative single digits
    - Cool conditions occurred southward into the central Plains where positive single digit reading lows were noted
      - Winterkill was not suspected in the northern or central Plains due to snow cover in the coldest areas of the north and temperatures were not cold enough in the south to induce much, if any, damage
- U.S. stormy weather will be mostly confined to the far western states from the middle part of this week through the weekend
  - Waves of rain and mountain snow are expected
    - A further improvement in mountain snowpack and water supply is expected during the forecast period
    - Western areas in the United States should trend drier next week except in the Pacific Northwest and the Cascade Mountains and northern Rocky Mountains will continue to receive some occasional snow
- U.S. crop weather east of the Rocky Mountains this week will be limited to the area from North Dakota to Michigan and Ohio during mid-week and again during the weekend
  - The greatest snowfall is expected during the weekend near the Canada border with several inches likely from northeastern Montana and southern Saskatchewan through Manitoba and northern Minnesota to northern Michigan
    - Lighter snow will occur in some of these same areas during mid-week

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- Rain will also fall today and Tuesday in the southeastern states with areas from southeastern Georgia and northern Florida to eastern North Carolina where some amounts will range from 0.50 to 2.00 inches
- Temperatures will be warmer than usual this week in the Plains and Midwest while cooler than usual in the Pacific Northwest
- Next week's U.S. weather will trend a little colder in the northern Plains, upper Midwest and far western states while precipitation increases in the Midwest, Delta, Tennessee River Basin and southeastern states
  - Some significant rain may evolve from the interior southeastern states into the lower eastern Midwest
- South Africa weather over the next two weeks will be mostly good for summer crop development
  - Sufficient rain is expected to support crops, although the second half of this week through the weekend and into early next will be a period of net drying in the western summer crop areas
  - Eastern summer crop areas will continue to have the best soil moisture and highest dryland crop yield potentials
  - Temperatures in this first week will be cooler than usual which will help to conserve soil moisture through slower evaporation rates
    - Next week will be warmer biased
- South Africa reported scattered showers and thunderstorms during the weekend, but totals coverage was only 50%
  - The greatest rain was in eastern Northern Cape and western North West where rainfall varied from 0.50 to 1.25 inches and local totals to 1.61 inches
  - Temperatures during the weekend were cooler than usual with highest readings in the 50s and 60s east and 70s and lower 80s west
    - Northern Cape reported extreme highs in the lower 90s
- Australia weekend rainfall was greatest from interior southeastern Queensland into central New South Wales and a few areas in Victoria where rainfall varied from 0.05 to 0.50 inch with a few totals in central Queensland getting up around 1.00 inch
  - Temperatures were quite warm to hot from South Australia, northwestern Victoria and central and western New South Wales to Northern Territory and western Queensland where highs of 100 to 113 degrees Fahrenheit were noted
    - The heat was stressful for livestock and grazing conditions deteriorated
    - Soil moisture was already poor in western livestock areas of Queensland and New South Wales making the heat and limited rainfall all the more important during the weekend
    - Good harvest weather continued in winter crop areas throughout the south
- Australia will experience daily showers and thunderstorms in summer crop areas of Queensland and New South Wales through the next week resulting in favorable summer crop development conditions
  - The moisture could interfere with some farming activity, including late winter crop harvesting, but no new crop quality issues are expected
  - Southern Australia winter crops will continue to be harvested in a favorable environment without much precipitation and seasonable temperatures
- China weather is expected to be relatively tranquil for a while
  - Winter crops are dormant or semi-dormant and most are suspected of being favorably established
    - Rapeseed should be in better shape than either of the past two autumns
  - Precipitation will occur periodically in east-central parts of the nation maintaining good soil moisture for over-wintering crops
  - Temperatures will be cooler than usual in the northeast and seasonable to slightly warmer biased elsewhere

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- Cooling is expected in central and northern China during the second half of this week and into the coming weekend
  - Warming will occur in many areas next week with another round of cooling possible late next week
- Tropical Depression Rai was located 231 miles south southwest of Hon Kong moving northeasterly at 10 mph and producing maximum sustained wind speeds of 30 mph
  - Rapid weakening will occur as the storm passes 123 miles to the south of Hong Kong
    - The weakening trend and the path of movement should minimize the potential for damage to land
    - Rain is expected to fall from Hainan to Guangdong, Fujian, China with amounts by Wednesday varying from 1.00 to 3.00 inches with a few greater amounts
    - The storm center should dissipate south of the mainland China coast Tuesday
- A new tropical disturbance may impact the Philippines Thursday into the coming weekend with additional moderate to heavy rain possible
- Western Russia, Ukraine, Belarus and the Baltic State will experience cool weather this week with waves of snow
  - The snow will protect winter crops from the colder weather
  - Some warming is expected next week
  - Winter crops will remain dormant with sufficient snow cover and soil moisture to sustain plant needs through into early January
- Europe weekend weather was dry in the west with some rain and snow falling in the easternmost parts of the continent
  - Temperatures were seasonably mild to cool
- Europe precipitation over the next two weeks will be favorably mixed with seasonable to slightly warmer than usual temperatures supporting good winter crop conditions
- North Africa weekend precipitation was limited and temperatures were seasonably mild
  - Weather in the coming week is expected to be a little better mixed with brief periods of rain and seasonable temperatures
  - Next week will trend drier, but temperatures will continue seasonable
- India's weather will be relatively quiet for a while, but some showers will develop in the central and north this week with a few more expected in the north and east next week
  - The precipitation would be welcome and beneficial for all winter crops, although early indications suggest most of the rain will be quite light initially
- West-central Africa rainfall is expected to be confined to coastal areas only
  - Favorable crop maturation and harvest conditions will prevail in most coffee, cocoa, sugarcane, rice and cotton production areas
- Ethiopia rainfall will be restricted over the next seven days resulting in net drying conditions which are not unusual at this time of year
  - Showers and thunderstorms will occur routinely in coffee, cocoa, rice and sugarcane areas from Tanzania into Uganda and Kenya through January 2
- Indonesia, Malaysia and Philippines rainfall will be widespread over the next two weeks with all areas getting rain at one time or another
  - Heavy rain fell during the weekend in central and interior northern parts of Sumatra and in a few central peninsular Malaysia locations where amounts ranged from 5.00 to more than 8.00 inches
- Mainland areas of Southeast Asia will see seasonable drying over the next ten days, although coastal areas of Vietnam will receive frequent rain early this week and again next week
- Mexico precipitation will be restricted during the next ten days

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- Seasonable drying is expected, but there is need for greater rain in northern parts of the nation
- Central America precipitation will be greatest along the Caribbean Coast , but including a fair amount of Panama and Costa Rica
- Middle East weather has been a little dry east of Turkey, but some rain developed during the weekend may linger early this week
  - More drying is expected later this week and into next week
- Western Colombia and western Venezuela precipitation is expected to occur periodically in coffee, corn, rice and sugarcane production areas during the next ten days, but no excessive rain is expected
- Today's Southern Oscillational Index was +11.50 and it was expected to move lower this week
- New Zealand rainfall will be lighter than usual during the next week except along the west coast of South Island where it will be near normal
  - Temperatures will be seasonable

### **Bloomberg Ag Calendar**

Monday, Dec. 20:

- USDA export inspections - corn, soybeans, wheat, 11am
- Malaysia's Dec. 1-20 palm oil exports
- USDA total milk production, 3pm
- Ivory Coast cocoa arrivals

Tuesday, Dec. 21:

- EU weekly grain, oilseed import and export data
- New Zealand global dairy trade auction

Wednesday, Dec. 22:

- EIA weekly U.S. ethanol inventories, production
- U.S. cold storage data for poultry, pork and beef; poultry slaughter, 3pm

Thursday, Dec. 23:

- USDA weekly net-export sales for corn, soybeans, wheat, cotton, pork and beef, 8:30am
- Port of Rouen data on French grain exports
- U.S. cattle on feed, 3pm
- USDA hogs & pigs inventory and production, red meat output, 3pm

Friday, Dec. 24:

- No Commitment of Traders reports given holidays in U.S. and U.K. CFTC and ICE releases will be out on Monday, Dec. 27

Source: Bloomberg and FI

### **USDA inspections versus Reuters trade range**

Wheat	211,880	versus 200000-400000	range
Corn	1,001,528	versus 600000-1200000	range
Soybeans	1,679,430	versus 1500000-2100000	range

Soybean and all-wheat inspections were at the low end of expectations and all wheat near the top end of expectations. Soybean inspections to China improved from the previous week to 944,776 tons from 840,676 tons previous week but are still well below 1.46 million tons for the week ending December 2. Corn inspections included 209,442 tons for China. Corn inspections were upward revised 4.2 million bushels for the previous weeks.

US EXPORT INSPECTIONS						Cumulative		USDA	Weekly Ave. to	Weekly rate	Shipments
Million Bushels	Actual	FI Estimates	Last Week	LW revised	5-Year Ave.	YTD	YOY %	Projection	To date	to Reach USDA	% of USDA
<b>WHEAT</b>	<b>7.785</b>	9 to 13	9.878	0.957	19.7	427	-17.7%	840	14.7	18.0	50.9%
<b>CORN</b>	<b>39.428</b>	28 to 35	36.105	4.201	28.4	445	-12.0%	2500	27.7	57.2	17.8%
<b>SOYBEANS</b>	<b>61.708</b>	66 to 77	64.190	0.845	59.5	998	-22.8%	2050	62.1	29.3	48.7%

Million Tons	Actual	Estimates	Last Week	LW revised	5-Year Ave.	YTD	YOY MT	Projection	To date	to Reach USDA	% of USDA
<b>WHEAT</b>	<b>0.212</b>	0.250 to 0.350	0.269	0.026	0.537	11.632	-2.500	22.86	0.400	0.490	50.9%
<b>CORN</b>	<b>1.002</b>	0.700 to 0.900	0.917	0.107	0.722	11.314	-1.549	63.50	0.704	1.452	17.8%
<b>SOYBEANS</b>	<b>1.679</b>	1.800 to 2.100	1.747	0.023	1.621	27.150	-8.033	55.79	1.691	0.797	48.7%

Source: USDA & FI

US EXPORT INSPECTIONS: TOP COUNTRIES, IN MILLION BUSHELS			
<b>Corn</b>		<b>39.428</b>	<b>Wheat</b>
Mexico	▲	13.950	Mexico
China	▲	8.245	Korea Rep
Japan	▲	8.165	Nigeria
Korea Rep	▲	2.696	Italy
Nicaragua	▲	2.525	Dominicn Rep
El Salvador	▲	1.490	Japan
			<b>7.785</b>
			<b>Beans</b>
			3.432
			China
			2.021
			Egypt
			0.775
			Indonesia
			0.717
			Tunisia
			0.443
			Mexico
			0.344
			Bangladesh
			2.085

US EXPORT INSPECTIONS: TOP COUNTRIES, IN TONS			
<b>Corn</b>		<b>1,001,528</b>	<b>Wheat</b>
MEXICO		354,354	MEXICO
CHINA		209,442	KOREA REP
JAPAN		207,409	NIGERIA
KOREA REP		68,481	ITALY
NICARAGUA		64,127	DOMINICN REP
EL SALVADOR		37,844	JAPAN
			<b>211,880</b>
			<b>Beans</b>
			93,414
			CHINA
			54,999
			EGYPT
			21,100
			INDONESIA
			19,506
			TUNISIA
			12,065
			MEXICO
			9,351
			BANGLADESH
			56,736

Source: USDA & FI

GRAINS INSPECTED AND/OR WEIGHED FOR EXPORT  
 REPORTED IN WEEK ENDING DEC 16, 2021  
 -- METRIC TONS --

GRAIN	WEEK ENDING			CURRENT	PREVIOUS
	12/16/2021	12/09/2021	12/17/2020	MARKET YEAR TO DATE	MARKET YEAR TO DATE
BARLEY	0	0	0	10,010	17,751
CORN	1,001,528	917,100	770,122	11,314,209	12,863,010
FLAXSEED	100	0	0	224	437
MIXED	0	0	0	0	0
OATS	0	0	0	300	2,593
RYE	0	0	0	0	0
SORGHUM	316,359	120,700	205,923	1,551,023	1,933,991
SOYBEANS	1,679,430	1,746,973	2,857,498	27,150,198	35,182,841
SUNFLOWER	0	0	0	432	0
WHEAT	211,880	268,840	392,178	11,631,884	14,132,162

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Total	3,209,297	3,053,613	4,225,721	51,658,280	64,132,785
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CROP MARKETING YEARS BEGIN JUNE 1 FOR WHEAT, RYE, OATS, BARLEY AND FLAXSEED; SEPTEMBER 1 FOR CORN, SORGHUM, SOYBEANS AND SUNFLOWER SEEDS. INCLUDES WATERWAY SHIPMENTS TO CANADA.

## Macros

81 Counterparties Take \$1.758 Tln At Fed Reverse Repo Op. (prev \$1.705 Tln, 77 Bids)  
 US Crude Oil Futures Settle At \$68.23/Bbl, Down \$2.63, 3.71%

## Corn

- CBOT corn traded lower on lack of news, and in part on weakness in selected grains (oats), but South American weather concerns and higher soybean meal limited losses. This comes after global weather models turned unfavorable this morning for many global regions from Friday, including the US Great Plains, US Delta, Brazil, Argentina and South Africa.
- Funds sold an estimated net 3,000 corn contracts.
- March oats traded limit lower (40 cents).
- USDA US corn export inspections as of December 16, 2021 were 1,001,528 tons, within a range of trade expectations, above 917,100 tons previous week and compares to 770,122 tons year ago. Major countries included Mexico for 354,354 tons, China for 209,442 tons, and Japan for 207,409 tons.
- We think the trade will need to see fresh US corn export developments this week for prices to rise unless weather models trend unfavorable for southern Brazil and Argentina, and/or WTI crude oil rebounds.
- China November corn imports fell to their lowest level in 19 months after taking in 790,000 tons, down 36% from year earlier. But year to date imports of 27 million tons are up nearly 200 percent from same period in 2020.
- Bloomberg cattle survey: US November placements onto feedlots seen rising y/y to 1.97m head. That would be the second straight y/y increase after rising by 2.4%.
- Bloomberg hogs and pigs survey: The U.S. hog herd as of Dec. 1 seen falling 2.8% from a year earlier to 74.65m head, according to the average in a Bloomberg Survey of seven analysts.

### Export developments.

- None reported

Japan's use for corn in animal feed			
	Oct-21	Sep-21	Oct-20
Total Shipments	2,016,369	1,992,551	2,103,450
Main Ingredients			
Corn	46.9%	46.8%	49.1%
Sorghum	1.1%	1.1%	1.4%
Wheat	2.1%	2.1%	1.5%
Barley	3.8%	3.8%	3.5%

Source: Japan AgMin, Reuters & FI



Corn		Change	Oats		Change	Ethanol	Settle		
MAR2	591.25	(2.00)	MAR2	662.25	(40.00)	JAN2	2.14	Spot DDGS IL	
MAY2	592.00	(2.25)	MAY2	637.00	(39.50)	FEB2	2.14	Cash & CBOT	
JUL2	590.25	(2.50)	JUL2	600.00	(30.25)	MAR2	2.14	Corn + Ethanol	
SEP2	560.50	(1.75)	SEP2	521.25	(20.75)	APR2	2.14	Crush	
DEC2	545.00	(1.50)	DEC2	528.75	(21.75)	MAY2	2.14	1.81	
MAR3	552.50	(1.25)	MAR3	535.50	(15.00)	JUN2	2.14		
Soybean/Corn		Ratio	Spread	Change	Wheat/Corn	Ratio	Spread	Change	
MAR2	MAR2	2.19	703.25	8.00	MAR2	1.32	186.50	4.75	
MAY2	MAY2	2.20	708.00	8.75	MAY2	1.32	188.50	4.25	
JUL2	JUL2	2.21	716.00	9.50	JUL2	1.31	181.00	4.00	
SEP2	SEP2	2.26	707.00	5.25	SEP2	1.38	212.50	3.50	
NOV2	DEC2	2.29	702.50	2.25	DEC2	1.42	230.25	2.25	
MAR3	MAR3	2.22	676.00	1.75	MAR3	1.40	222.25	1.00	
US Corn Basis & Barge Freight									
Gulf Corn			BRAZIL Corn Basis			Chicago			
DEC	+82 / 86 h unch		JULY	+5 / 15 n		dn5/dn5	Toledo		
JAN	+78 / 84 h unch		AUG	+15 / 37 u		dn5/unch	Decatur		
FEB	+76 / 80 h unch		SEP	+15 / 38 u		dn5/unch	Dayton		
MCH	+72 / 75 h unch		0-Jan				Cedar Rapids		
APR	+66 / 70 k unch						Burns Harbor		
USD/ton: Ukraine Odessa \$ 258.00						Memphis-Cairo Barge Freight (offer)			
US Gulf	3YC Fob Gulf Seller (RTRS) 274.5 272.1 269.8 267.4 265.7 265.4					BrgF MTCT JAN		525	+25
China	2YC Maize Cif Dalian (DCE) 415.0 416.5 418.5 421.5 425.0 427.0					BrgF MTCT FEB		350	unchanged
Argentina	Yellow Maize Fob UpRiver - 258.9 258.9 238.8 - -					BrgF MTCT MAR		325	unchanged

Source: FI, DJ, Reuters & various trade sources

Updated 12/9/21

March corn is seen in a \$5.50 to \$6.20 range

## Soybeans

- Soybeans ended higher despite weakness in soybean oil. Two reasons for the higher trade in soybeans include dry weather across parts of South America and higher soybean meal. Malaysian palm futures traded sharply lower on Monday in part to concerns over rising global cases of Omicron and India suspending new local commodity contract trading. Palm may appreciate Tuesday after India adjusted import duties.
- Funds bought an estimated net 4,000 soybeans, bought 3,000 soybean meal and sold an estimated 4,000 soybean oil.
- Soybean oil held above a key 52 cent support level for the January contract. WTI crude oil was holding after the \$4.00 break. This could be a buy signal for both commodities but ongoing concerns over the new Covid-19 strain can easily cancel that thought. India announcements to cut palm oil import duties was seen bearish for soybean oil, but we will have to wait to see if the import margins justify a swift change in trade flows. Bottom line is that India needs edible vegetable oils and imports are not going to soften over the short term.
- Southern Brazil and Argentina will trend drier that is expected to continue for the next couple of weeks. Rainfall will be lighter than usual and temperatures slightly above normal.

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- The IRA/CPC sees a 100 percent chance for La Nina during the NOV/DEC/JAN period and 95 percent chance for the DEC/JAN/FEB period.
- USDA US soybean export inspections as of December 16, 2021 were 1,679,430 tons, within a range of trade expectations, below 1,746,973 tons previous week and compares to 2,857,498 tons year ago. Major countries included China for 944,776 tons, Egypt for 121,964 tons, and Indonesia for 72,473 tons.
- China November soybean imports of 8.57 million tons included 3.63 million tons from the United States, up from only 775,300 in October, but below 6.04 million tons they imported from the US during October 2020. Imports from Brazil were 3.75 million tons in November, up from 3.3 million tons in October, and higher than the 2.74 million tons imported during November 2020. China crush margins recovered during November for many locations from later summer levels. This morning we find them higher from Friday and near a one-month high. But hog prices that have been on the decline during December are likely going to continue to weigh on crush rates during the winter months.
- China crush margins on our analysis was last \$2.01/bu versus \$1.87 at the end of last week and compares to \$1.07 a year ago.
- India may resume buying palm oil at a greater rate over soybean oil.
- India cuts base import duty on RBD palm olein to 12.5% from 17.5%, now the total import duty is 13.75%. With effect from 21 Dec 2021. (Reuters)
- Also, India is looking into lowering their import duties on edible vegetable oils. Palm might be set at 5%. In October, India cut the customs duty on crude palm oil, soybean oil and sunflower oil to zero and crude palm oil to 7.5%. Soybean oil was set at 5% from 20% each until March 31, 2022.
- Malaysia will keep its January crude palm oil export tax duty at 8%.
- AmSpec Agri Malaysia reported Malaysian palm oil products exports for the December 1-20 period fell 6.6 percent to 996,331 tons from 1,066,899 tons shipped during November 1-20 period. ITS reported a 5.1% decrease to 1.073 million tons from 1.130 million during the same period previous month.
- Malaysian palm oil traded at a three month low on Monday. March fell 113 or 2.6% to 4,295 ringgit (\$1,016.57), the lowest closing since Sept. 21. Cash palm was down \$30.00/ton to \$1,085.00/ton.
- India's commodity exchange regulator, Securities and Exchange Board of India, that oversees the National Commodity and Derivatives Exchange (NCDEX), was told by the Indian government not to launch new commodity contracts for selected agriculture products for a year, a drastic move and first of its kind since contracts were launched since 2003. No new positions are allowed for existing contracts as well. The government is seeking to tame inflation. The contracts include soybeans\*, soybean oil\*, crude palm oil, wheat, paddy rice, chickpea\*, green gram, rapeseed\* and mustard (\*most active contracts). Indian prices of edible oil prices hit records this year and the government likely wants to tame rising prices. India importers use the domestic exchanges to hedge risk, but since much of the import deals are done in USD, they might have the option to use international exchanges, or continue to use them. The smaller trading houses that depend on hedging local products domestically and against the rupee currency, which has depreciated, are likely more vulnerable to volatility without proper hedging mechanisms. Trading volume in terms of USD flow is very small compared to other global exchanges, but important to smaller local physical trading players and end users. We don't see any major changes to global exchange flows over the next two years of positions, just a loss in tracking forward prices of selected commodity products for India's market. (FI extracted this info from a Reuters story that ran on 12/20).

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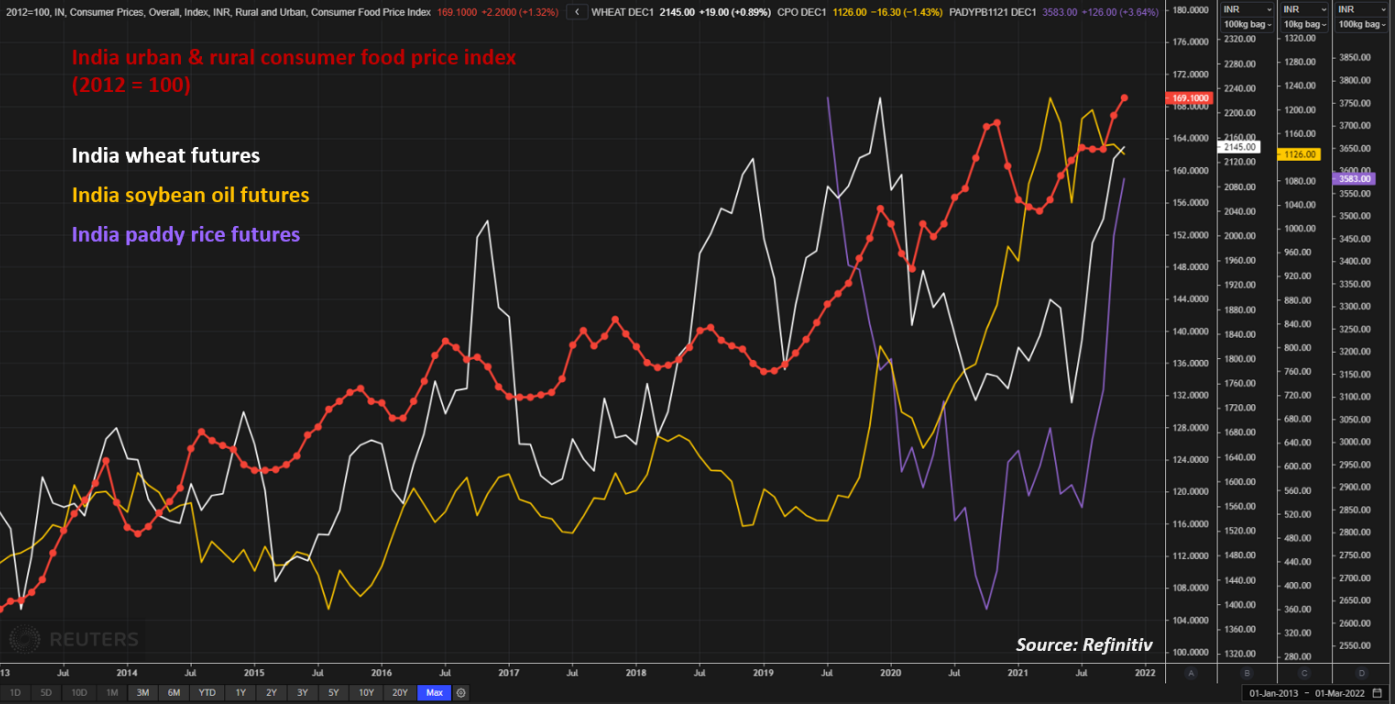
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# India food price inflation vs key agriculture commodity prices

India's market regulator suspended futures trading in key farm commodities on Monday as the country battles to tame inflation



Source: Reuters

## Export Developments

- None reported

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Soybeans		Change	Soybean Meal		Change	Soybean Oil		Change
JAN2	1292.50	7.25	JAN2	386.10	6.60	JAN2	52.99	(0.89)
MAR2	1294.50	6.00	MAR2	383.10	6.60	MAR2	53.09	(0.88)
MAY2	1300.00	6.50	MAY2	381.90	6.10	MAY2	53.17	(0.83)
JUL2	1306.25	7.00	JUL2	383.10	5.80	JUL2	53.11	(0.84)
AUG2	1295.00	6.00	AUG2	382.00	5.70	AUG2	52.87	(0.82)
SEP2	1267.50	3.50	SEP2	378.60	5.10	SEP2	52.70	(0.73)
NOV2	1247.50	0.75	OCT2	373.40	4.50	OCT2	52.50	(0.73)

Soybeans	Spread	Change	SoyMeal	Spread	Change	SoyOil	Spread	Change
Jan-Mar	2.00	(1.25)	Jan-Mar	-3.00	0.00	Jan-Mar	0.10	0.01

Electronic Beans Crush		Oil as %	Meal/Oil \$	Meal	Oil			
Month	Margin	of Oil&Meal	Con. Value	Value	Value			
JAN2	139.81	JAN2 40.70%	\$ 6,816	849.42	582.89			
MAR2	132.31	MAR2 40.93%	\$ 6,456	842.82	583.99	EUR/USD	1.1282	
MAY2	125.05	MAY2 41.04%	\$ 6,288	840.18	584.87	Brazil Real	5.7355	
JUL2	120.78	JUL2 40.94%	\$ 6,444	842.82	584.21	Malaysia Bid	4.2250	
AUG2	126.97	AUG2 40.90%	\$ 6,478	840.40	581.57	China RMB	6.3756	
SEP2	145.12	SEP2 41.04%	\$ 6,240	832.92	579.70	AUD	0.7116	
NOV2/DEC2	150.27	OCT2 41.28%	\$ 5,840	821.48	577.50	CME Bitcoin	46400	
JAN3	142.44	DEC2 41.20%	\$ 5,950	821.92	575.85	3M Libor	0.21425	
MAR3	139.79	JAN3 41.37%	\$ 5,670	814.44	574.75	Prime rate	3.2500	
MAY3	134.18	MAR3 41.86%	\$ 4,918	795.52	572.77			

US Soybean Complex Basis						
DEC	+105 / 110 f unch				DECATUR	+15 f unch
JAN	+80 / up f unch	IL SBM (truck)	F+18	12/14/2021	SIDNEY	+5 f unch
FEB	+74 / 85 h unch	CIF Meal	F+25	12/14/2021	CHICAGO	-10 f unch
MCH	+67 / 76 h unch	Oil FOB NOLA	500	12/10/2021	TOLEDO	-20 f unch
APR	+60 / 65 k unch	Decatur Oil	500	12/10/2021	BRNS HRBR	-25 f unch
					C. RAPIDS	-35 f unch

Brazil Soybeans Paranagua fob		Brazil Meal Paranagua		Brazil Oil Paranagua	
JAN	+125 / +150 f unch	JAN	-5 / -2 f up2/unch	JAN	+700 / +750 f unch/dn80
FEB	+53 / +55 h unch/dn2	FEB	-5 / +1 f unch/up3	FEB	+380 / +600 h dn100/dn100
MCH	+34 / +38 h dn2/unch	MCH	-9 / -5 h unch	MCH	-100 / +200 h unch/dn100
APR	+26 / +30 k up1/dn1	APR	-14 / -9 k unch/up1	APR	-160 / -10 k unch
MAY	+37 / +40 k up1/unch	MAY	-14 / -9 k unch/up1	MAY	-350 / -70 k dn170/dn60
	Argentina meal	379	-4.0	Argentina oil	Spot fob 61.5 8.42

Source: FI, DJ, Reuters & various trade sources

Updated 12/14/21

Soybeans – January \$12.35 to \$13.05 range, March \$11.75-\$13.50

Soybean meal - January \$350 to \$400, March \$330-\$415

Soybean oil - January 49.50 to 57.00, March 50.00-59.00

## Wheat

- US soft red winter wheat prices increased following strength in KC wheat in part to lower Russian wheat fob export prices resulting in theory US markets a little more price competitive, and uncertainty over general commodity market direction. The US Great Plains will see limited precipitation this week and

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after last weeks “dust bowl” event there is still a lot of uncertainty over crop damage. We may see follow through high protein wheat spreading against Chicago soft wheat this week. That didn’t materialize for the MN market that closed lower on Monday but that was an event that affected KC type wheat more so than durum and upper Great Plains wheat.

- Russian wheat export prices fell for the third consecutive week. 12.5% protein wheat from Black Sea ports for LH Dec/FH Jan shipment were around \$329 a ton fob at the end of last week, down \$5 from the previous week, according to IKAR. SovEcon reported wheat prices down \$3 to \$335 a ton, while barley fell by \$5 to \$299 a ton.
- The spread between US and Russian wheat remains enormous, with Russia competitive, but we are still seeing progressive traders spreading CME Black Sea and Chicago wheat contracts.
- Paris March wheat futures was 1.00 euro higher at 279.75/ton.
- Funds bought an estimated net 1,000 soft red winter wheat contracts.
- USDA US all-wheat export inspections as of December 16, 2021 were 211,880 tons, within a range of trade expectations, below 268,840 tons previous week and compares to 392,178 tons year ago. Major countries included Mexico for 93,414 tons, Korea Rep for 54,999 tons, and Nigeria for 21,100 tons.
- It was reported Tunisia was not allowing grain ships to unload at a port, but we don’t know any details at the time this was written.

#### Export Developments.

- Algeria is back in for wheat this week for shipment in February.
- Jordan seeks 120,000 tons of milling wheat on December 29 for shipment sometime between June 16 and 30, July 1 and 15, July 16 and 31 and Aug. 1 and 15.
- Turkey seeks about 320,000 tons of 12.5% and 13.5% protein content milling wheat on December 21 for shipment between February 1 and February 28.
- Taiwan Flour Millers' Association seeks 110,000 tons of grade 1 milling wheat to be sourced from the United States on Dec. 23 for shipment between Feb 1-15 and the second between Feb. 8-22 and second cargo for shipment for some time in 2022.
- Jordan seeks 120,000 tons of feed barley on December 23 for shipment sometime between June 16-30, July 1-15, July 16-31 and Aug. 1-15.

#### Rice/Other

- (Bloomberg) -- Arabica coffee tumbled to a four-week low, pressured by an improved supply outlook and a broader market selloff. The U.S. Department of Agriculture on Friday increased its world output estimate for coffee, mostly because of better production in Honduras and Guatemala. The agency also reduced its demand projection slightly, yielding a world surplus of about 2.6 million bags against a small deficit in June.
- Bangladesh seeks 50,000 tons of non-basmati parboiled rice on December 30 for delivery 50 days from contract award and letter of credit opening.
- Results awaited: South Korean Agro-Fisheries & Food Trade Corp. seeks 22,000 tons of rice from the US, that was set to close Dec 16.

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Chicago Wheat		Change	KC Wheat		Change	MN Wheat Settle		Change
MAR2	777.75	2.75	MAR2	814.00	4.00	MAR2	1019.75	(2.75)
MAY2	780.50	2.00	MAY2	813.50	3.25	MAY2	1010.00	(2.00)
JUL2	771.25	1.50	JUL2	804.75	3.25	JUL2	980.75	(1.75)
SEP2	773.00	1.75	SEP2	804.75	2.50	SEP2	922.25	(3.00)
DEC2	775.25	0.75	DEC2	808.75	3.50	DEC2	914.00	(2.50)
MAR3	774.75	(0.25)	MAR3	807.25	3.50	MAR3	910.00	0.00
MAY3	766.25	2.50	MAY3	794.75	3.50	MAY3	880.00	0.00

Chicago Rice		Change			Change			Change
JAN2	13.65	(0.080)	MAR2	13.87	(0.095)	MAY2	14.07	(0.085)

**US Wheat Basis**

Gulf SRW Wheat		Gulf HRW Wheat		Chicago mill	
DEC	+95 / 105 h unch	DEC	+190 h unch	Toledo	+10 h unch
JAN	+95 / 105 h unch	JAN	+190 h unch	PNW US Soft White	10.5% protein BID
FEB	+95 / 105 h unch	FEB	+190 h unch	PNW Dec	1050 unchanged
MCH	+90 / 105 h unch	MCH	+190 h unch	PNW Jan	1050 unchanged
				PNW Feb	1050 unchanged
				PNW Mar	1050 unchanged

Paris Wheat		Change	OI	OI Change	World Prices \$/ton		Change
MAR2	279.50	1.00	191,668	(13,645)	US SRW FOB	\$334.30	\$1.60
MAY2	276.50	1.25	102,114	(3,024)	US HRW FOB	\$378.40	\$2.30
SEP2	250.00	(0.50)	99,927	1,626	Rouen FOB 11%	\$313.08	\$2.50
DEC2	250.00	(0.25)	124,193	(459)	Russia FOB 12%	\$335.00	(\$3.00)
EUR	1.1282				Ukr. FOB feed (Odessa)	\$305.00	\$0.00
					Arg. Bread FOB 12%	\$418.04	\$0.00

Source: FI, DJ, Reuters & various trade sources

Updated 12/9/21

Chicago March \$7.40 to \$8.60 range

KC March \$7.55 to \$9.00 range

MN March \$9.50-\$11.00

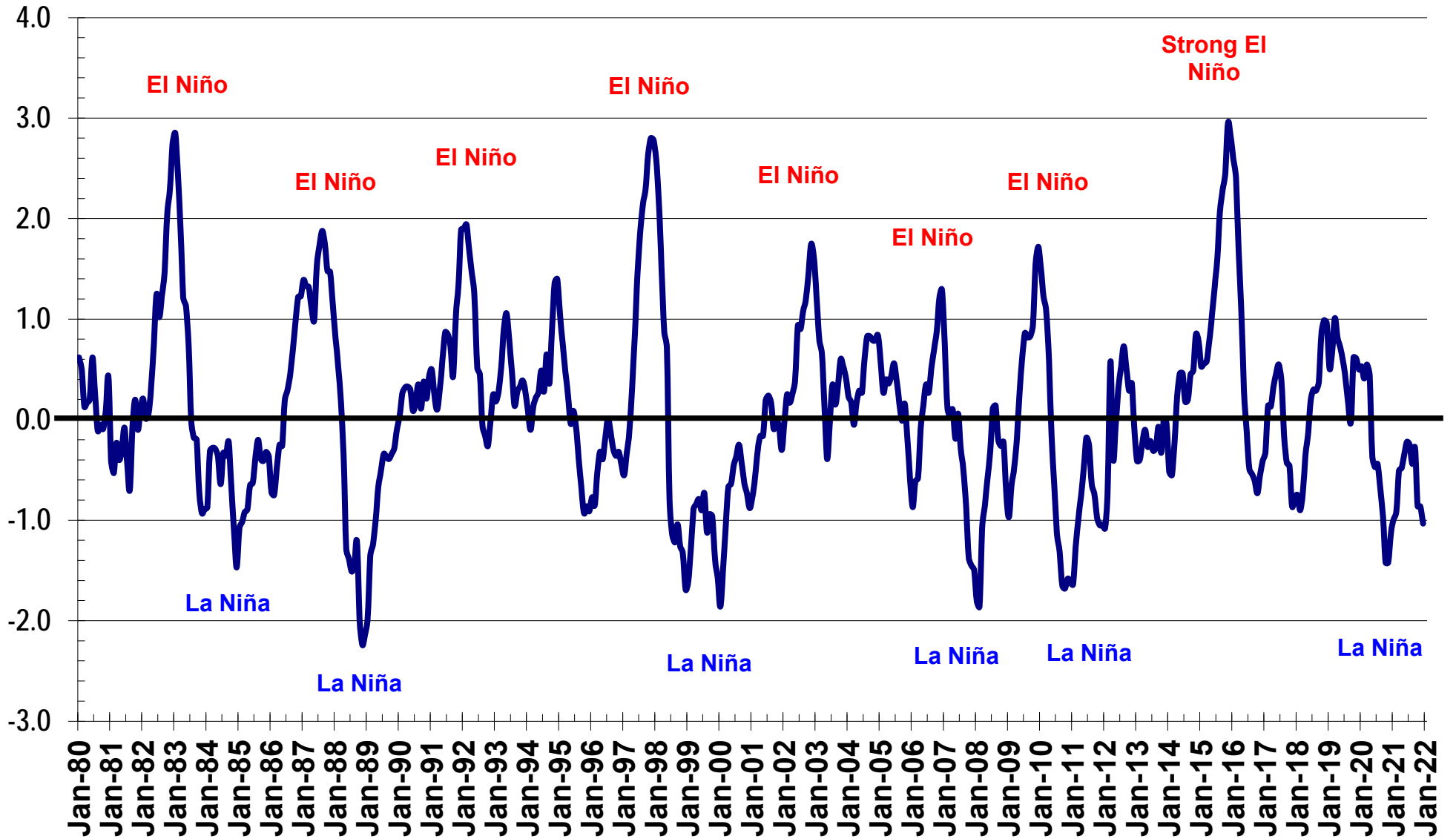
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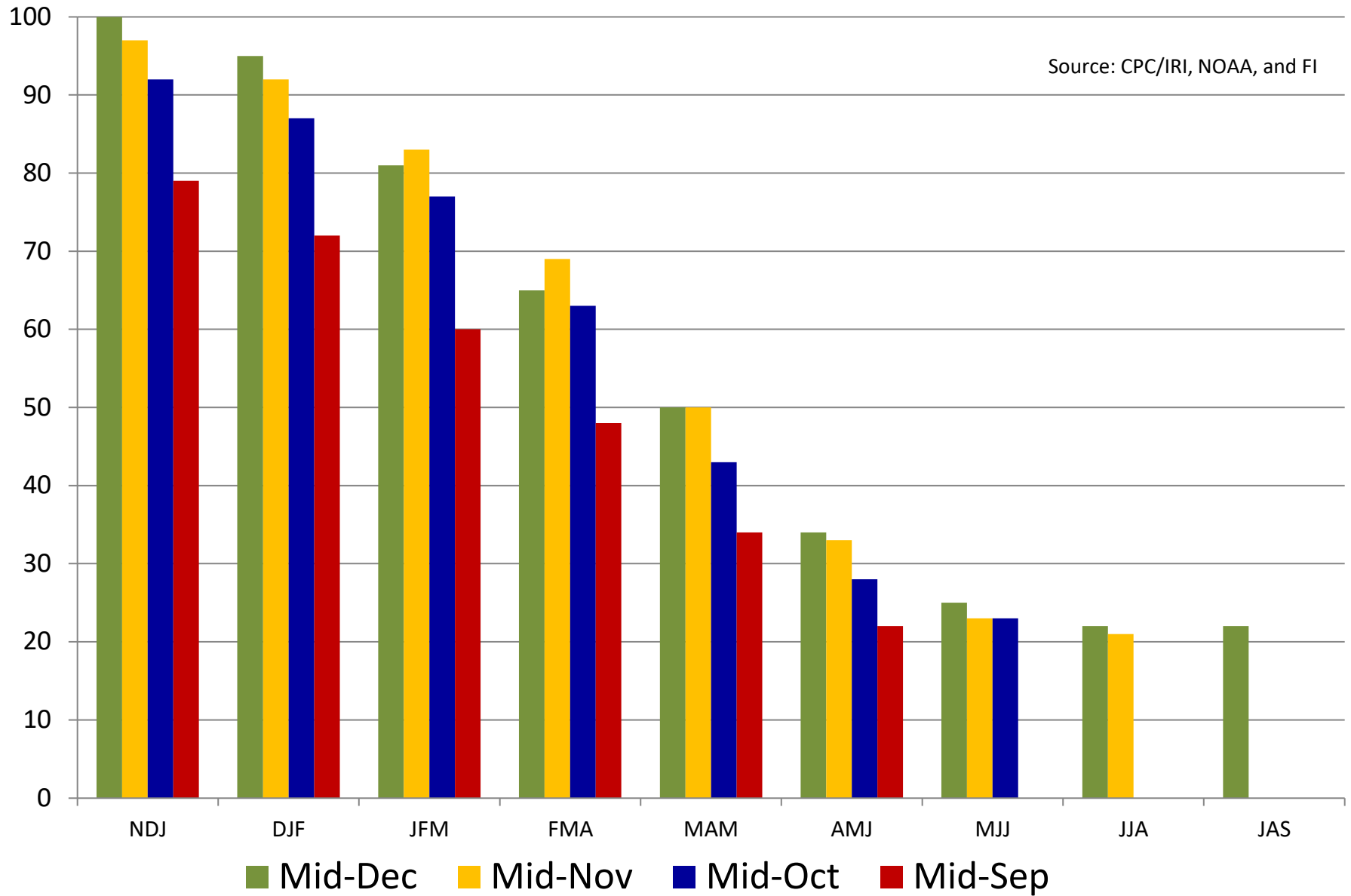
# Eastern Pacific Sea-Surface Temperature Anomalies 3.4 through mid November



Source: NOAA, FI Current month partial-from weekly data

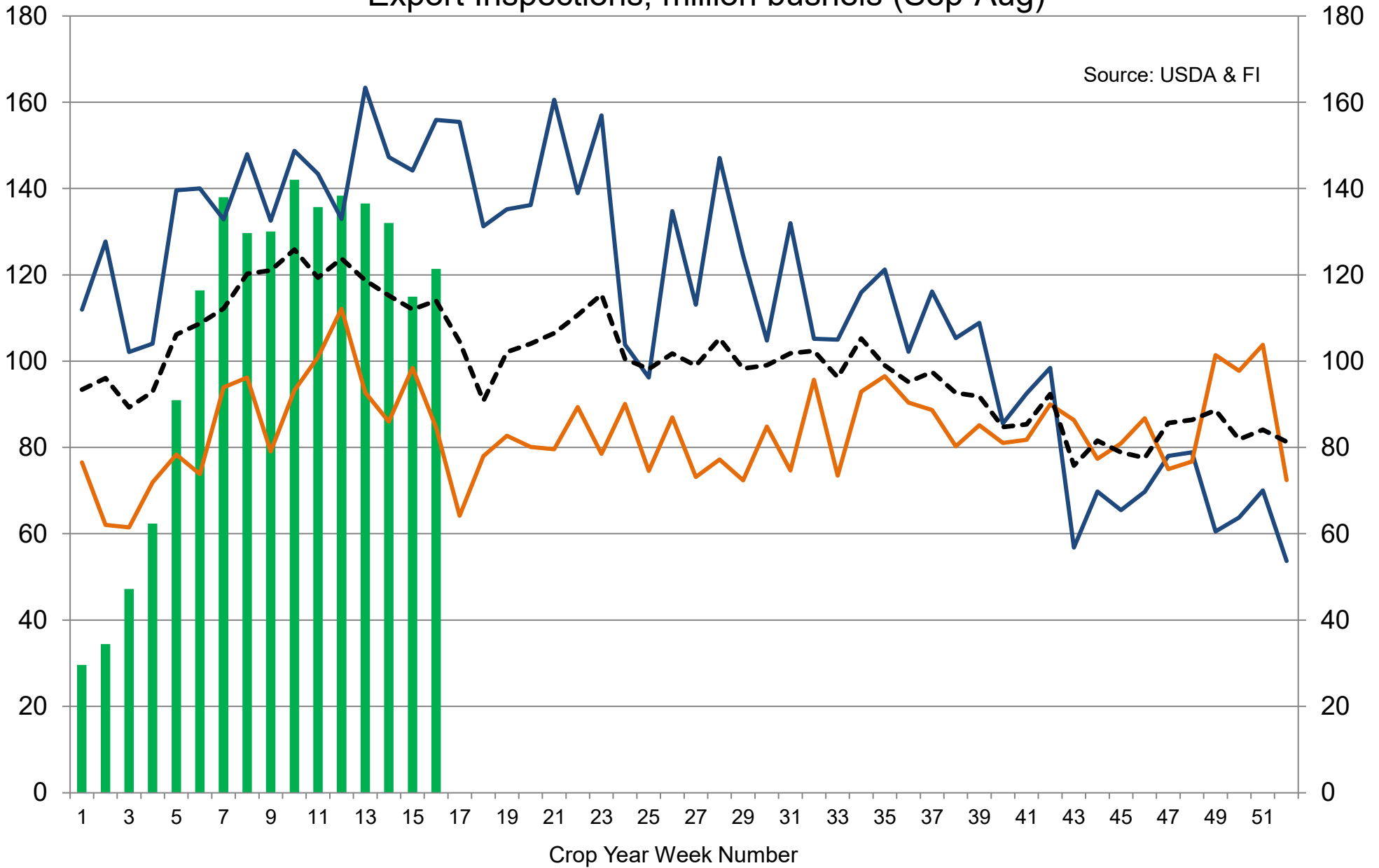
# La Nina % Probability

Source: CPC/IRI, NOAA, and FI



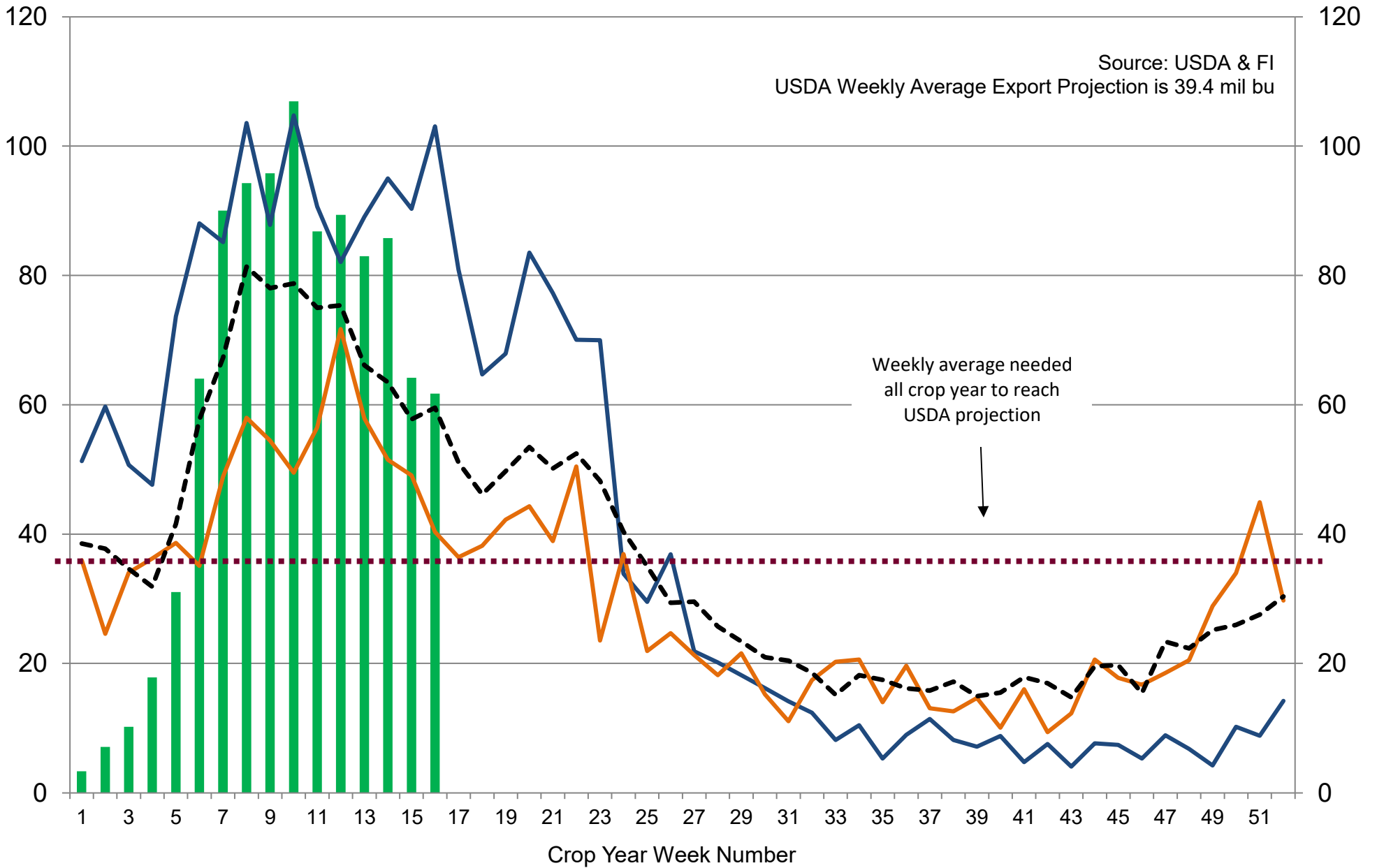


# US Weekly USDA Combined Wheat, Soybeans, Corn, and Sorghum Export Inspections, million bushels (Sep-Aug)



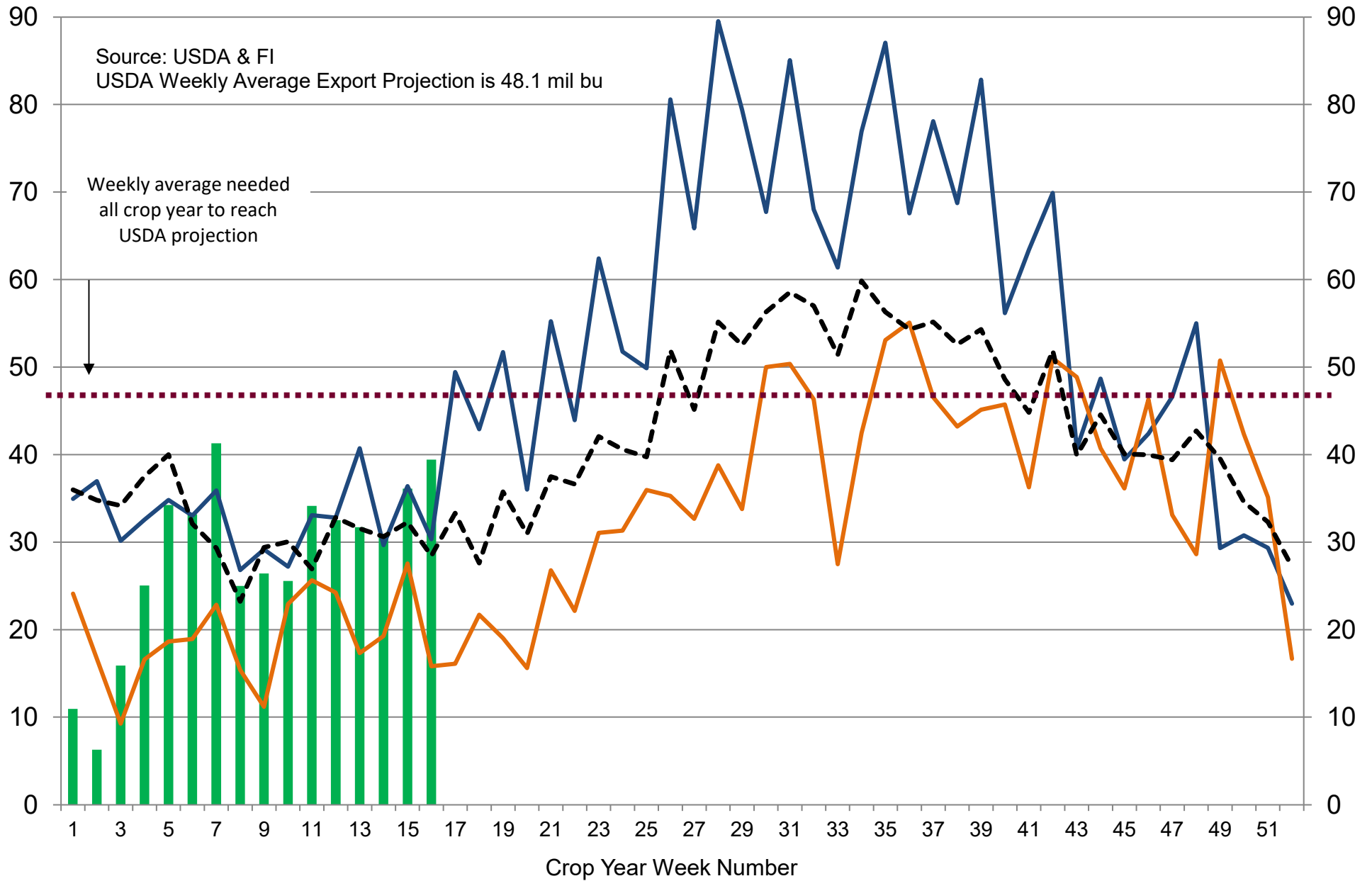
■ 2021-22    
 — 2020-21    
 — 2019-20    
 - - - 5-Year Average

# US Weekly USDA Soybean Export Inspections, million bushels



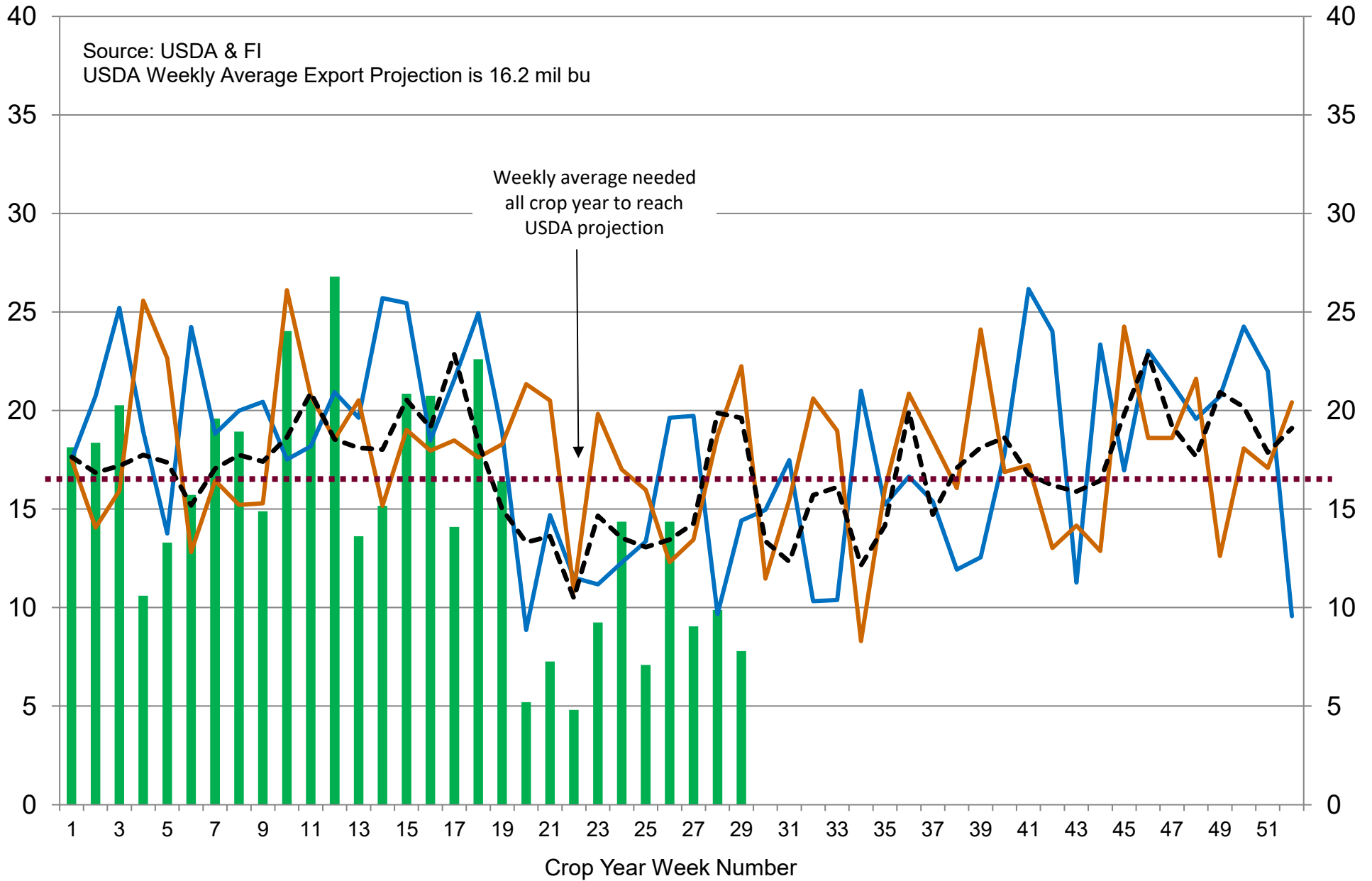
■ 2021-22   
 — 2020-21   
 — 2019-20   
 - - - 5-Year Average

# US Weekly USDA Corn Export Inspections, million bushels



■ 2021-22   
 — 2020-21   
 — 2019-20   
 - - - 5-Year Average

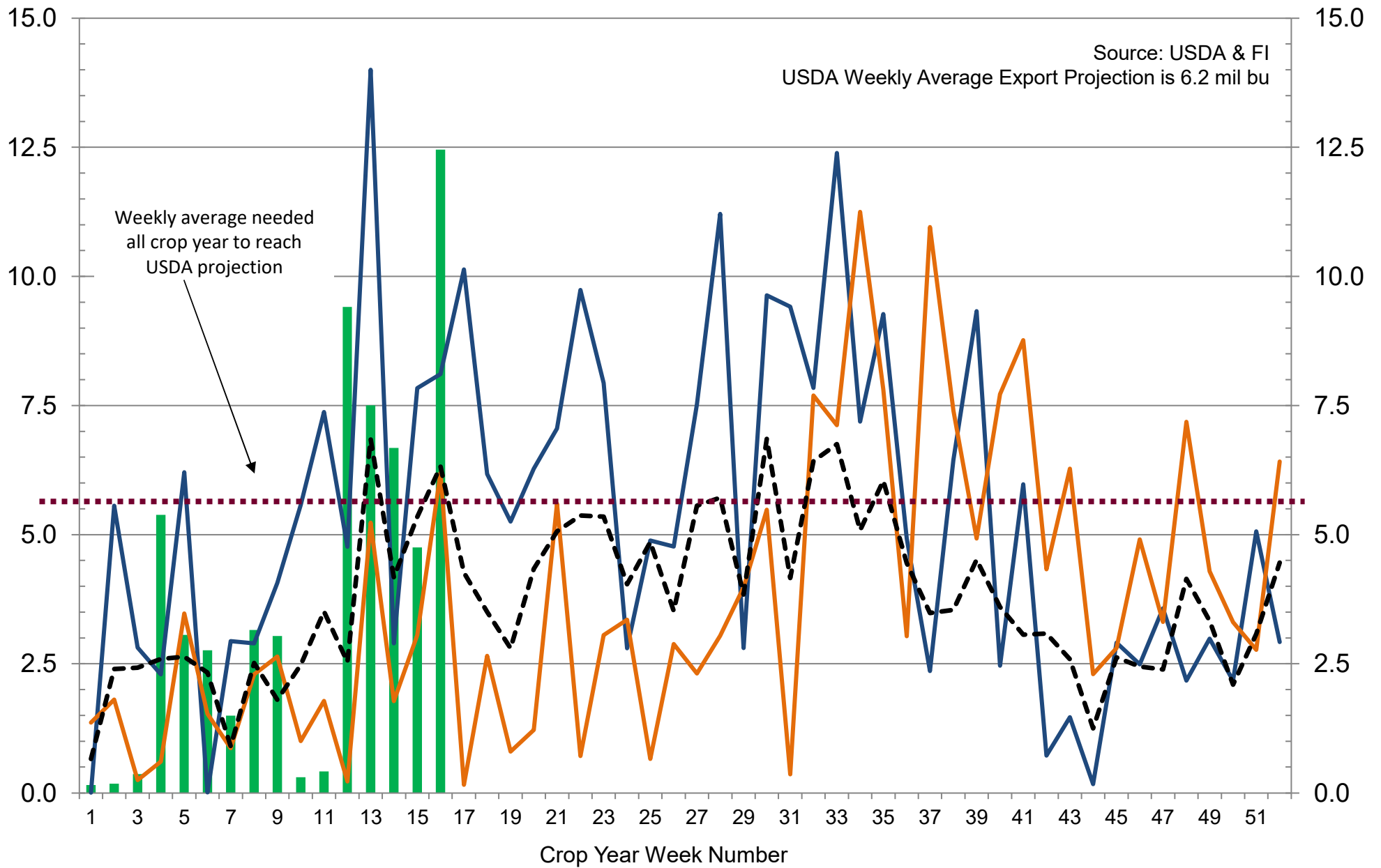
# US Weekly USDA All-Wheat Export Inspections, million bushels



■ 2021-22   
 — 2020-21   
 — 2019-20   
 - - - 5-Year Average



# US Weekly USDA Sorghum Export Inspections, million bushels



■ 2021-22    — 2020-21    — 2019-20    - - - 5-Year Average

## Traditional Daily Estimate of Funds 12/14/21

	(Neg)-"Short"	Pos-"Long"			
Actual less Est.	11.8	(4.5)	10.3	(3.2)	0.8
	<b>Corn</b>	<b>Bean</b>	<b>Chi. Wheat</b>	<b>Meal</b>	<b>Oil</b>
Act.	426.6	63.2	12.0	71.4	43.2
15-Dec	(5.0)	1.0	(20.0)	(2.0)	2.0
16-Dec	6.0	11.0	9.0	0.0	7.0
17-Dec	3.0	4.0	2.0	5.0	(4.0)
20-Dec	(3.0)	4.0	1.0	3.0	(4.0)
21-Dec					
<b>FI Est. of Futures Only 12/14/21</b>	<b>427.6</b>	<b>83.2</b>	<b>4.0</b>	<b>77.4</b>	<b>44.2</b>
<b>FI Est. Futures &amp; Options</b>	<b>415.8</b>	<b>80.4</b>	<b>(5.5)</b>	<b>74.1</b>	<b>31.7</b>
Futures only record long "Traditional Funds"	547.7 1/26/2021	280.9 11/10/2020	86.5 8/7/2018	167.5 5/1/2018	160.2 11/1/2016
Futures only record short	(235.0) 6/9/2020	(118.3) 4/30/2019	(130.0) 4/25/2017	(49.5) 3/1/2016	(69.8) 9/18/2018
Futures and options record net long	557.6 1/12/2021	270.9 10/6/2020	64.8 8/7/2012	132.1 5/1/2018	159.2 1/1/2016
Futures and options record net short	(270.6) 4/26/2019	(132.0) 4/30/2019	(143.3) 4/25/2017	(64.1) 3/1/2016	(77.8) 9/18/2018

## Managed Money Daily Estimate of Funds 12/14/21

	Corn	Bean	Chi. Wheat	Meal	Oil
Latest CFTC Fut. Only	335.5	40.5	(9.5)	40.7	44.7
Latest CFTC F&O	346.0	41.0	(7.3)	40.5	44.8
FI Est. Managed Fut. Only	336	60	(18)	47	46
FI Est. Managed Money F&O	347	61	(15)	47	46

## Index Funds Latest Positions (as of last Tuesday)

Index Futures & Options	426.8	177.1	114.2	NA	119.0
Change From Previous Week	1.0	(6.1)	(2.5)	NA	(1.6)

Source: Reuters, CFTC & FI (FI est. are noted with latest date)

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