



Notes and Observations in International Commodity Markets

21st October 2023

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Quote for the month: **“Prediction is very difficult, especially if it's about the future!”** – Niels Bohr, Nobel laureate in Physics

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GRAIN MARKETS MIXED

Rain Forecast in South America Sends Corn, Soybeans and Soymeal Lower; Wheat Fails to Hold Gains

After the kind of rally we have seen in soybeans and soymeal the past six to seven days, it is no surprise to see Friday's correction, spurred on by a wetter forecast for Argentina and Brazil. November soybeans closed down 13¼ cents at \$13.02 and January soybeans were down 11½ cents at \$13.20¼.

Brazil's southern region to continue too wet which happens in El Nino years, while their northern areas remain on the dry side.

Corn traders took some profits and then some after Thursday's sharp rally. On Friday December corn closed down 9½ cents per bushel at \$4.96 and March corn was down 8 cents at \$5.09.

Wheat continued to grind higher early, led by Chicago, which for the first time in 5 weeks moved past \$6 as funds bought in shorts, but by mid-session the selling began, sending wheat to a lower close in all three markets. December KC wheat closed down 6¼ cents at \$6.70, December Chicago wheat was down 8 cents at \$5.86 and December Minneapolis wheat was down 6¼ cents at \$7.32.

US FRB Chairman Powell speech this week did not hint at taking the pressure off fighting inflation. Equities sagged with the S&P 500 down 2% w/w.

Geopolitical risk continued while WTI Dec crude at \$88.29/bbl down fractionally today, ended up 2.2% w/w. Gold gained sharply as well.

Navigator gave up on their US carbon pipeline initiative, leaving Summit, ADM/Wolf and numerous on-site plant wells to capitalize on the IRA \$85/mt carbon subsidy for those sequestering carbon by January 2025, sighting permitting challenges in IA and SD. Lack of carbon pipelines likely creates haves and have nots when it comes to lower carbon ethanol long term. Valero, an investor in Navigator, sighted the need for carbon pipelines so that the ethanol pathway to SAF could be competitive to alternatives like RD, they should know being a principal in one of the largest RD producers, Diamond Green Diesel.

Have a nice weekend! ☺

➤ **Russia signs grain export deal with China**

18 October 2023 by Arvin Donley - A Russian export company has signed a deal to export 70 million mts of grain, legumes and oilseeds to China, Reuters reported on October 18th.

The company, EPT, said the contract was for 12 years with a possible extension, according to Reuters.

Karen Hovsepyan, leader of the New Land Grain Corridor Initiative, told the Tass news agency that the deal is worth nearly \$26 billion.

Russia has strengthened ties with China over the past several years, and this week Russian President Vladimir Putin is visiting China to speak with Chinese President Xi Jinping about trade and other issues.

Russia is coming off a bumper grain harvest in which it exported an estimated 60 million mts of grain during the 2022-23 marketing season. With its invasion of Ukraine having reduced Ukrainian grain shipments, Russia has expanded its position as the world's No. 1 wheat exporter. It exported an estimated 47 million mts of wheat in 2022-23 and is forecast to ship a record 50 million mts in the current marketing year.

Although China is trying to become more self-sufficient in grains and oilseeds, it is still by far the biggest importer of those products, particularly soybeans and corn.

➤ **China third-quarter pork output hits highest in at least a decade**

18 October 2023 Reuters - China's pork output in the third quarter rose 4.8% from a year ago to 12.69 mmts, the highest for the quarter in at least a decade, Reuters calculations based on official data showed, as farmers raised more pigs for holiday consumption.

Third-quarter pork production in China, which consumes half of the world's pork, is typically about 12 mmts, and last came close to this year's level in 2014 when it reached 12.67 mmts.

Chinese breeders expanded production in recent years, however, and the herd of breeding females was still higher than a year ago until July, when it began to shrink, agriculture ministry data shows.

Producers have kept larger herds this year, expecting a stronger economic recovery to lift meat demand, but consumption has been disappointing.

China's pork output in the first nine months of the year rose 3.6% from a year earlier to 43.01 mmts, data from the National Bureau of Statistics showed on Wednesday.

The national pig herd rose to 442.29 million pigs in the third quarter from 435.17 million in the previous quarter, according to the data.

Farmers also fattened their pigs to during the third quarter to make more money, increasing the pork supply, said Rosa Wang, analyst at Shanghai JC Intelligence Co Ltd.

"The pig margin was positive in August and September, so pig farmers chose to fatten pigs or even bought pigs of 90kg or 100kg and fattened them to a higher weight to make money," she said.

Margins have since fallen, however, along with declining prices.

Hog futures have declined 4.5% in October, down for a third consecutive month, due to excess supply.

➤ **Global Grains Forecast Cut on Lower Corn, Barley Harvests**

19 October 2023 by Yusuf Khan - The forecast for global grains production in the current 2023-24 season has been lowered on poor corn and barley harvests, the International Grains Council said in a report on Thursday.

The IGC now expects global grain output at 2.292 billion metric tons, slightly lower than September's estimate of 2.294 billion tons. It still remains a sharp rise on the prior year's harvest of 2.265 billion tons.

The forecast cut is due to lower-than-expected corn and barley harvests, the grains body said. As for corn, it expects output of 1.219 billion tons in 2023-24, down from 1.222 billion tons at last month's forecast. However, this is still up sharply from the prior-year harvest of 1.162 billion tons when drought in Europe severely hampered crop growth.

Meanwhile, wheat output is expected at 785 million tons while rice is expected at 521 million tons.

U.S. DOLLAR & FOREIGN EXCHANGE

➤ U.S. Dollar Index – Daily Nearby



Source: <https://www.barchart.com/futures/quotes/DXY00/interactive-chart>

➤ Major Foreign Exchange Rate Indicators: as of the 17th of October 2023

	TW	LW	Year ago	% Chg, yoy
Argentina (ARS)	350.000	349.670	152.510	+129
Australia (AUD)	1.569	1.556	1.586	-1
Canada (CAD)	1.362	1.358	1.372	-1
Euro (EUR)	0.944	0.942	1.016	-7
Kazakhstan	476.390	476.840	473.000	+1
Russia (RUB)	97.770	99.150	61.050	+60
Ukraine (UAH)	36.360	36.470	36.930	-2

Source: International Grains Council

➤ U.S. Dollar Falls Back Slightly as Bond Yields Decline

20 October 2023 by Rich Asplund – The dollar index on Friday fell by -0.08%. The dollar Friday fell back slightly as T-note yields declined, weakening the dollar's interest rate differentials. Also, dovish comments Friday from Philadelphia Fed President Harker and Cleveland Fed President Mester undercut the dollar when they said they favored the Fed continuing its pause on rate hikes. Losses in the dollar were limited as a slide in stocks boosted the liquidity demand for the dollar.

Comments from Philadelphia Fed President Harker suggest he favors a Fed pause on rate hikes when he said the FOMC should allow policy actions taken so far to continue to work and then closely watch data before making any decisions on moving the policy rate in either direction. Also, Cleveland Fed President Mester said, "Regardless of the decision made at the next FOMC meeting, if the economy evolves as anticipated, in my view, we are likely near or at a holding point on the funds rate."

Atlanta Fed President Bostic said the U.S. economy's long-term trend is moving in a positive way, and he doesn't think the Fed will cut interest rates before the middle of 2024.

EUR/USD on Friday rose by +0.09%. The euro on Friday posted modest gains as dollar weakness sparked short covering in the euro. Signs of strength in the Eurozone economy were bullish for the euro after Eurozone Sep new car registrations rose for the fourteenth consecutive month. Gains in EUR/USD were limited after German producer prices in September fell by a record, a dovish factor for ECB policy.

Eurozone Sep new car registrations rose +9.2% y/y to 861,000, the fourteenth consecutive month registrations have increased.

German Sep PPI fell a record -14.7% y/y (data from 1977), a larger decline than expectations of -14.1% y/y.

USD/JPY on Friday rose by +0.03%. The yen on Friday dropped to a 2-1/2 week low against the dollar. The yen was under pressure on Friday's dovish comments from BOJ Governor Ueda, who said, "The BOJ will keep monetary easing patiently to achieve its 2% inflation target in a stable and sustainable manner." Losses in the yen were limited after Japan Sep CPI ex-fresh food and energy rose more than expected, a hawkish factor for BOJ policy, and after T-note yields declined.

Japan Sep national CPI eased to +3.0% y/y from +3.2% y/y in Aug, right on expectations. Sep national CPI ex-fresh food and energy eased to +4.2% y/y from +4.3% y/y in Aug, stronger than expectations of +4.1% y/y.

December gold (GCZ3) on Friday closed +13.90 (+0.70%), and Dec silver (SIZ23) closed +0.473 (+2.05%). Precious metals prices on Friday closed moderately higher, with gold posting a 2-3/4 month high and silver posting a 1-month high. Precious metals rallied Friday on increased safe-haven demand due to concerns that the Israeli-Hamas conflict could spread throughout the Middle East. Also, a weaker dollar and lower global bond yields Friday were bullish for metals. In addition, Friday's slide in global equity markets sparked safe-haven buying of precious metals. On the negative side is the continued liquidation of long gold positions by funds after long gold holdings in ETFs fell to a 3-1/2 year low on Thursday.

WHEAT

➤ World Wheat Supply & Demand Outlook

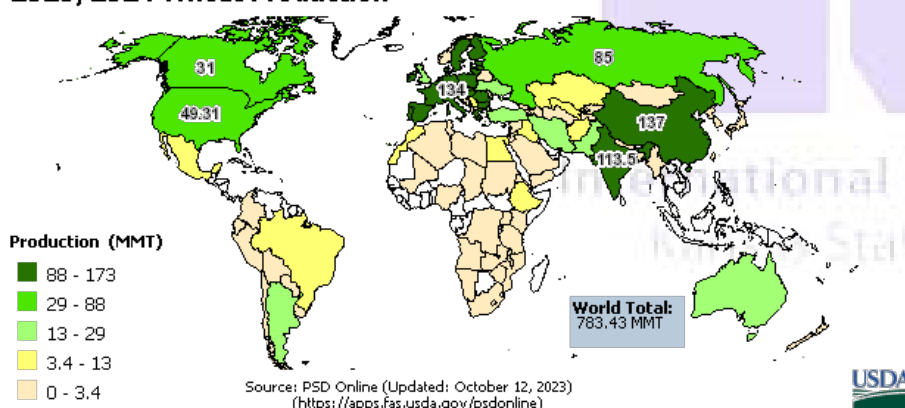
Wheat World as of October 2023							
Attribute	23/24 Oct'23	Change	23/24 Sep'23	22/23	21/22	20/21	19/20
Area Harvested (1000 HA)	223,097	-832(-.37%)	223,929	220,606	221,915	220,443	215,373
Beginning Stocks (1000 MT)	267,554	+422(+.16%)	267,132	272,678	284,086	297,910	284,238
Production (1000 MT)	783,430	-3907(-.5%)	787,337	789,494	781,013	773,449	759,390
MY Imports (1000 MT)	204,627	-994(-.48%)	205,621	211,454	199,449	194,095	188,388
TY Imports (1000 MT)	204,503	-1130(-.55%)	205,633	210,055	201,168	194,198	189,466
TY Imp. from U.S. (1000 MT)	0	-	0	20,061	21,249	26,550	26,255
Total Supply (1000 MT)	1,255,611	-4479(-.36%)	1,260,090	1,273,626	1,264,548	1,265,454	1,232,016
MY Exports (1000 MT)	206,260	-1080(-.52%)	207,340	221,599	202,761	203,453	194,558
TY Exports (1000 MT)	209,219	-580(-.28%)	209,799	216,558	205,168	199,615	195,101
Feed and Residual (1000 MT)	156,396	-1183(-.75%)	157,579	155,737	161,132	163,408	139,466
FSI Consumption (1000 MT)	634,830	-1730(-.27%)	636,560	628,736	627,977	614,507	600,082
Total Consumption (1000 MT)	791,226	-2913(-.37%)	794,139	784,473	789,109	777,915	739,548
Ending Stocks (1000 MT)	258,125	-486(-.19%)	258,611	267,554	272,678	284,086	297,910
Total Distribution (1000 MT)	1,255,611	-4479(-.36%)	1,260,090	1,273,626	1,264,548	1,265,454	1,232,016
Yield (MT/HA)	3.51	(-.28%)	3.52	3.58	3.52	3.51	3.53

Source: USDA PS&D

12 October 2023 USDA WASDE – The USDA global wheat outlook for 2023/24 was for reduced supplies, lower consumption, decreased trade, and lower stocks.

World supplies were reduced 3.5 mmts to 1,051.0 million as reduced production for Australia, Kazakhstan, and Ethiopia was only partially offset by higher production for the United States. Australia was lowered 1.5 mmts to 24.5 million on continued dry conditions over most of the production regions. Kazakhstan was reduced 2.0 mmts to 13.0 million on suboptimal growing conditions this season. Ethiopia is also lowered 2.0 mmts to 5.5 million on reduced harvested area, dry conditions in August and September, and less input use.

2023/2024 Wheat Production



Source: USDA FAS <https://ipad.fas.usda.gov/ogamaps/map.aspx?cmdty=Wheat&attribute=Production>

Global Wheat Production Lowered

The 2023/24 global wheat production is forecast down 3.9 to 783.4 mmts with smaller harvests for Ethiopia, Kazakhstan, Australia, and Brazil, more than offsetting a larger crop for the United States.

Ethiopia is revised down based on lower area and yield estimates. Production has been affected by drought as well as decreased input usage related to conflict and high fertilizer costs. Production for 2022/23 is also revised lower (down 1.2 mmts to 5.8 mmts) based on lower area and yield.

Kazakhstan is lowered based on reporting from the ongoing harvest that indicates that the crop is smaller than previously expected. Yield is estimated lower due to dry conditions in northern growing areas.

Australia's wheat production forecast is lowered on reduced yield resulting from continuing dry conditions in key growing areas, particularly in parts of Western Australia and New South Wales.

Brazil's estimated wheat yield is reduced based on reports of diminished crop conditions following excessive rain in key growing areas close to grain maturity.

Global Wheat Consumption Lowered

Marketing year 2023/24 global wheat consumption is down 2.9 mmts to 791.2 mmts with reductions to food, seed, and industrial (FSI) use as well as feed and residual use. To match the statistics presented in the USDA WASDE Report, adjusted consumption is calculated based on differences between exports and imports on a local MY basis. The aggregate difference, also referred to as "unaccounted trade", is revised down 0.1 mmts to 1.6 mmts for 2023/24 as global imports are lowered less than global exports. Total consumption plus unaccounted trade results in an adjusted consumption of 792.9 mmts, down 3.0 mmts from the September estimate.

Global FSI use is lowered 1.7 mmts to 634.8 mmts based on a 1.3 mmts-reduction for Ethiopia due to lower domestic supplies and a 0.4 mmts-reduction for Nigeria driven by reduced imports.

Global feed and residual use is reduced 1.2 mmts to 156.4 mmts driven mainly by Russia (-1.0 mmts to 18.0 mmts) and Kazakhstan (-0.5 mmts to 1.5 mmts). Russia is adjusted lower based on tighter beginning stocks and larger exports, while the change to Kazakhstan is motivated by smaller domestic supplies.

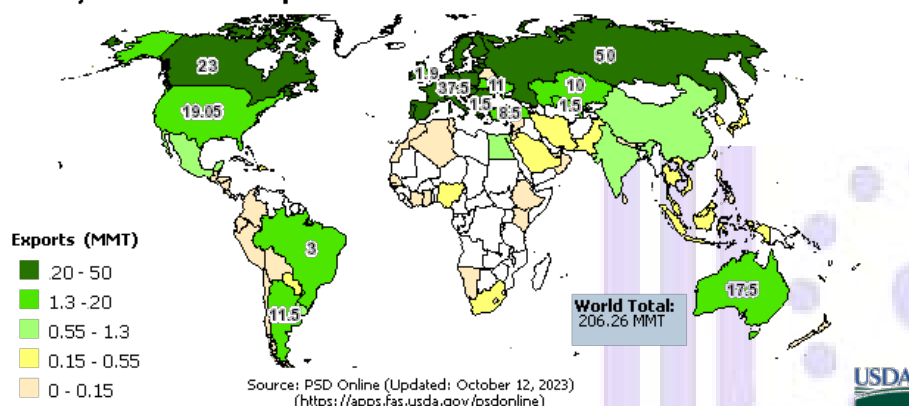
Partly offsetting these changes, U.S. feed and residual use is raised 0.8 mmts to 3.3 mmts based on updated production and stocks data which showed larger-than-expected supplies and unexpectedly large disappearance during the June–August quarter.

Global Wheat Trade Down

World trade for 2022/23 was decreased 1.1 mmts to 206.3 million on reduced exports by Australia, Brazil, and Kazakhstan only partially offset by higher Russian exports.

Global wheat trade in trade year (TY) 2023/24 (July/June) is lowered 0.6 mmts to 209.2 mmts.

2023/2024 Wheat Exports



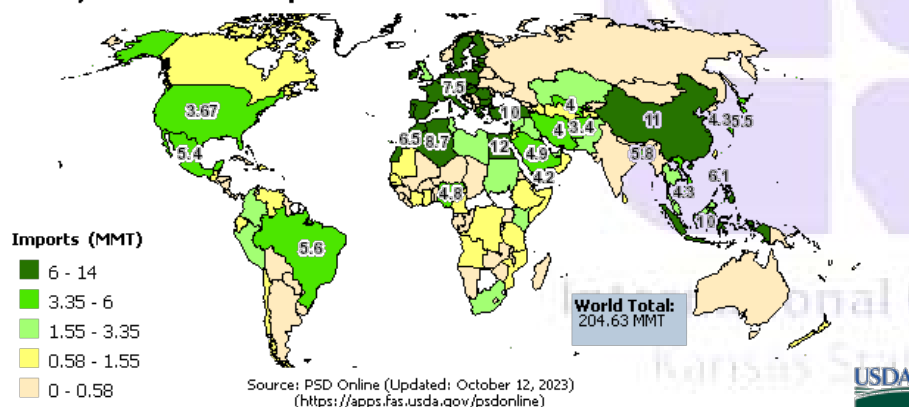
Source: USDA FAS <https://ipad.fas.usda.gov/ogamaps/map.aspx?comdt=Wheat&attribute=Exports>

Smaller supplies in Australia, Brazil, and Kazakhstan drive down export potential for those countries.

Russia is raised on a fast pace of trade. Forecast exports for Turkey are also boosted on a fast pace of shipments, including unusually high Durum exports amid a global shortage of that class of wheat.

Additionally, Russia's 2022/23 exports are raised 1.5 mmts to 47.5 mmts mostly due to revised estimates of shipments to Kazakhstan. 2022/23 imports for Kazakhstan are raised 0.9 mmts to 3.1 mmts.

2023/2024 Wheat Imports



Source: USDA FAS <https://ipad.fas.usda.gov/ogamaps/map.aspx?comdt=Wheat&attribute=Exports>

TY imports are lowered 1.1 mmts to 204.5 with smaller imports for Iran, Kazakhstan, and Nigeria more than offsetting higher expected imports for Turkey. The adjustments to Iran and Nigeria are motivated by the pace of trade. Imports for

Kazakhstan are lowered based on lower expected shipments from Russia during TY 2023/24 due to a 6-month ban on imports via truck and rail.

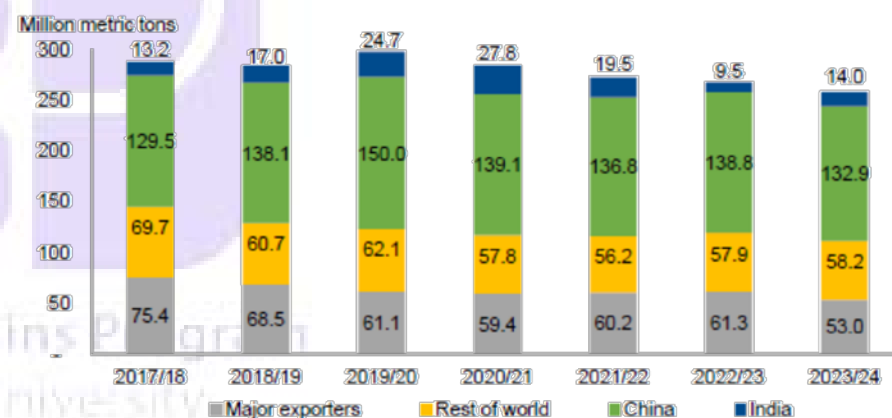
Turkey's imports are raised with higher demand from flour mills for producing products for re-export in its Inward Processing Regime (IPR).

TRADE CHANGES IN 2023/24 (1,000 MT)

Country	Attribute	Previous	Current	Change	Reason
Iran	Imports	4,500	4,000	-500	Lower feed and residual use
Kazakhstan	Imports	2,500	2,000	-500	Six-month ban on imports via truck
Nigeria	Imports	5,300	4,800	-500	Reduced purchasing power due to currency depreciation and inflation
Turkey	Imports	9,500	10,000	500	Increased demand from Turkish flour mills
Australia	Exports	22,500	21,500	-1,000	Smaller exportable supplies
Brazil	Exports	3,500	3,000	-500	Smaller crop due to heavy rains
Kazakhstan	Exports	10,500	10,000	-500	Smaller crop and quality concerns
Russia	Exports	49,000	50,000	1,000	Strong export pace year to date
Turkey	Exports	8,000	8,500	500	Large exports of durum grain (see article above), along with increased demand for Turkish flour

Global Ending Stocks Forecast to Tighten

Global ending stocks, 2017/18-2023/24



Note: 2023/24 data are forecasts. Major exporters include Argentina, Australia, Canada, the European Union, Kazakhstan, Russia, Ukraine, and the United States.
Source: USDA, Economic Research Service; USDA, Foreign Agricultural Service, Production, Supply and Distribution database.

Global ending stocks are lowered 0.5 mmts to 258.1 mmts largely driven by lower ending stocks for major exporters; down 1.0 mmts to 53.0 mmts. Stocks for

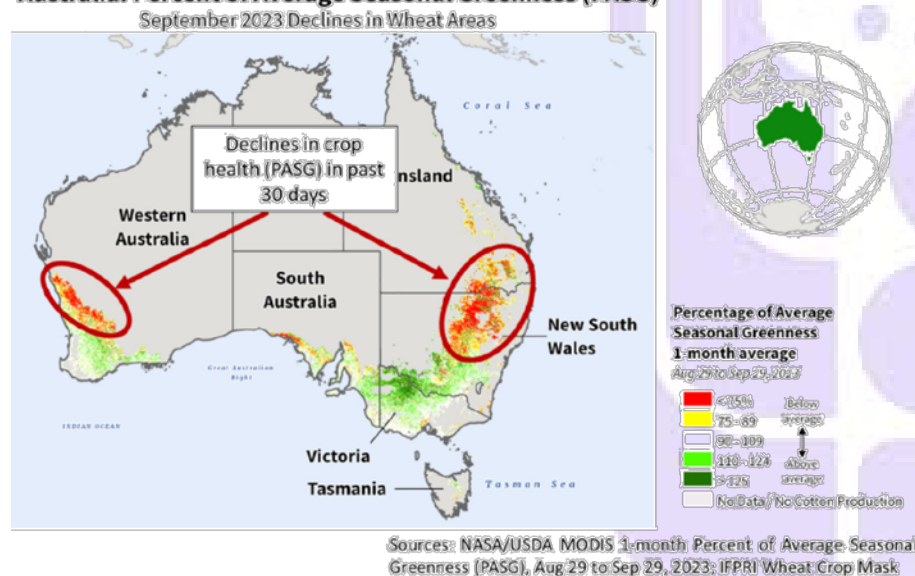
Kazakhstan are adjusted downward 1.1 mmts to 1.5 mmts with a smaller crop, while Russia is reduced 1.5 mmts to 8.9 mmts mainly based on stronger projected exports and smaller beginning stocks (which resulted from the 2022/23 export revision).

Partly offsetting tighter ending stocks for other exporters, U.S. stocks are forecast up due to a larger estimated crop. Outside of the major exporting countries, Ethiopia is revised downward 0.6 mmts to 0.5 mmts due to smaller production amid reports of shortages in the country. Pakistan's ending stocks are revised up 0.7 mmts to 3.7 mmts.

Citation: Sowell, A. (2023). Wheat outlook: October 2023 (Report No. WHS-23J). U.S. Department of Agriculture, Economic Research Service.

➤ **Australia Wheat: Production Revised Lower on Dry Conditions**

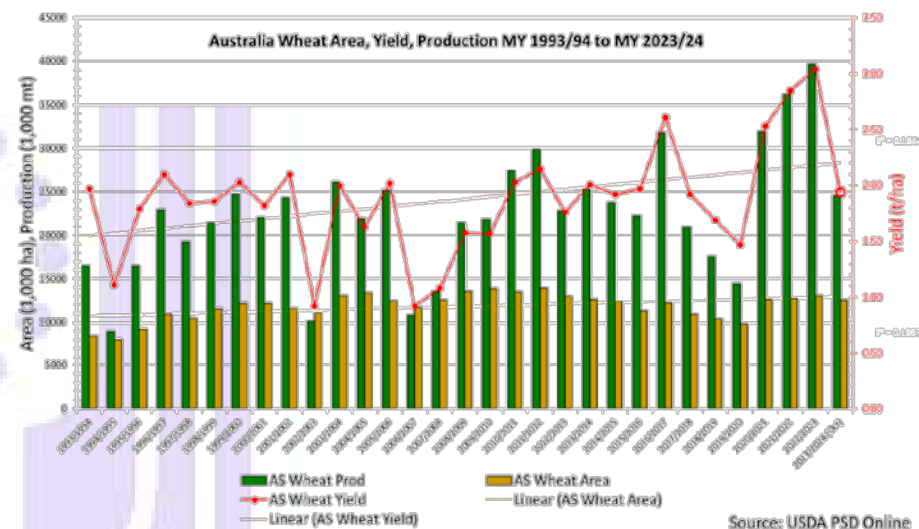
Australia: Percent of Average Seasonal Greenness (PASG)



12 October 2023 USDA FAS – USDA estimates Australia marketing year (MY) 2023/24 wheat production at 24.5 mmts (mmt), down 1.5 mmt or 6% from last month, and down 15.2 mmt or 38% from last year's record. Harvested area is estimated at 12.6 million hectares (mha), unchanged from last month but down 0.45 mha or 3% from last year. Yield is estimated at 1.94 tons per hectare (t/ha), down 6% from last month, and down 36% from last year's record.

Australia's wheat prospects have slowly but steadily declined throughout the season after favorable rainfall in April. This was followed by very dry conditions in May. Favorable rains returned in June for most growing regions. July through September turned unusually dry. Winter crops, including wheat, enter flowering or reproduction in

September in the major producing states. The declining soil moisture began to stress the crop during this critical period.



Satellite-derived Percent of Average Seasonal Greenness (PASG) values are less than normal in important growing areas of Western Australia and New South Wales, which is indicative of crop stress as a result of the exceptionally dry September. Rainfall is needed soon to sustain yield potential. In the east, harvesting typically starts in central Queensland during August and progresses down the east coast and around to Victoria and South Australia, finishing during January. On the west coast, the wheat harvest runs from October through January.

(For more information, please contact James.Crutchfield@usda.gov.)

➤ **Kazakhstan Wheat: Production Decreased Due to Unfavorable Weather**

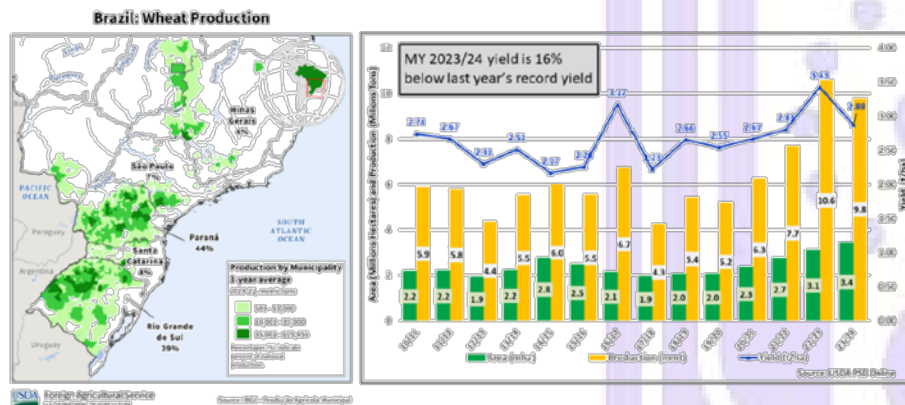
12 October 2023 USDA FAS – Kazakhstan wheat production for marketing year (MY) 2023/24 is estimated at 13.0 mmts (mmt), down 13% from last month and 21% from last year. Yield is estimated at 0.96 tons per hectare, down 13% from last month and 25% from last year. Harvested area is estimated at 13.6 million hectares (mha), unchanged from last month and up 6% from last year.

According to the Ministry of Agriculture of the Republic of Kazakhstan, total grain harvest is about 73% complete as of early October. The harvest campaign is currently occurring under above-average precipitation conditions. The abnormally wet September weather further threatens this season's wheat output. A drop in grain quality and the need for additional resources for grain drying are some of the main challenges farmers face as the harvest campaign continues. A large portion of the Kazakhstan Grain Belt already faced challenging and suboptimal growth conditions this season. Lack of adequate precipitation and unfavorable temperatures hampered crop development during the key yield formation stages.

About 80% of the crop is produced in the north-central oblasts of Aqmola, Qostanay, and North Kazakhstan. The crop is planted in mid-to-late May and harvested between August and September.

(For more information, please contact Iliana.Mladenova@usda.gov.)

➤ **Brazil Wheat: Record Rainfall Reduces Wheat Production**



12 October 2023 USDA FAS – Brazil wheat production for marketing year (MY) 2023/24 is estimated at 9.8 mmts (mmt), down 0.5 mmt or 5% from last month and down 8% from last year's record crop. Harvested area is estimated at 3.4 million hectares (mha), unchanged from last month and up 10% from last year. Yield is estimated at 2.88 metric tons per hectare (t/ha), down 5% from last month and down 16% from last year's record.

Harvest is nearly 70% complete in Paraná, the country's second-largest wheat-producing state, and harvest just began this month in the largest wheat producing state, Rio Grande do Sul.

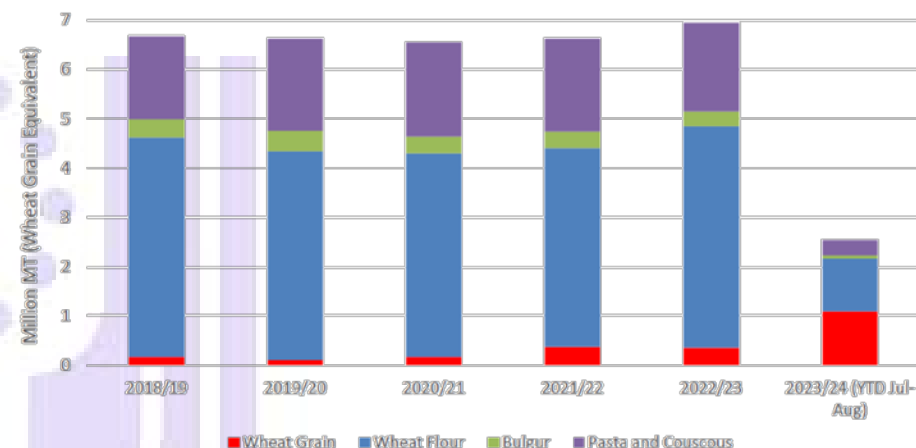
This season began with favorable weather conditions until the end of August when there was a freeze event and storms with high wind and large rainfall volumes in the state of Rio Grande do Sul. Furthermore, this record rainfall continued through late September in Rio Grande do Sul. Waterlogged soils prevented fertilizer applications which limited root development and tillering. Some regions in the state had upwards of 700 millimeters (mm) of rainfall. The excessive moisture coupled with high temperatures promoted fungal pathogens in both states, reducing yields and grain quality.

The state estimating agency for Paraná, DERAL, recently lowered state wheat yield estimates to 2.95 t/ha due to fungal disease pressure from high heat and humidity. In Rio Grande do Sul, the Technical Assistance and Rural Extension of Rio Grande do Sul (EMATER-RS) estimates a 14% reduction in yield from initial estimates. The state yield in Rio Grande do Sul could be even lower considering that the copious rainfall volume occurred during sensitive reproductive stages.

(For more information, please contact Sunita.Yadav-Pauletti@usda.gov.)

➤ **Turkey Emerges as Major Durum Exporter as Global Supplies Tighten**

Turkey Wheat Grain and Product Exports (TY July/June)



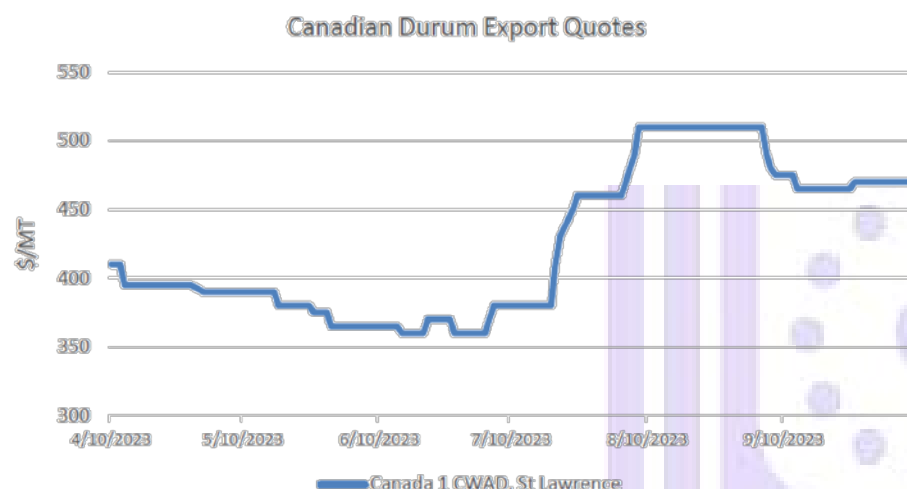
12 October 2023 USDA FAS – Turkey is a major participant in the global wheat trade, importing wheat grain and exporting wheat flour and products.

In 2022/23, Turkey was the second-largest importer in the world at a record 12.5 mmts, mainly purchasing milling wheat from Russia and Ukraine. Turkey was also the eighth-largest exporter at 7.0 mmts (wheat grain equivalent), mostly shipping wheat products to Iraq, Syria, Venezuela, and other markets in the Middle East and Africa that rely on Turkey's affordable supplies.

The country's Inward Processing Regime allows Turkish mills to import wheat grain duty-free to then be processed into wheat products for export. Last year, 95% of Turkey's wheat exports were processed products such as flour, pasta, couscous, and bulgur.

In 2023/24, Turkey is emerging in a new role with record exports of wheat grain amid disruptions to the global durum market. Durum is a hard wheat, typically used to make pasta, flatbreads, couscous, and other staple food products, that is produced and traded in smaller volumes than other classes of wheat. Major consumers of durum wheat and products include Italy, Algeria, Morocco, and Tunisia.

Historically, Canada has been the largest producer and exporter of durum wheat. In 2022/23, Canada exported over 5.0 mmts of durum wheat, compared to 600,000 tons from second-largest exporter the European Union. In 2023/24, however, Canada durum production is severely impacted by drought conditions and forecast at only 4.1 mmts, down 23% from the 5-year average.



Source: International Grains Council

With global supplies tightening, Canadian durum export quotes surged from \$360/ton in July to \$510/ton in August. Durum prices have since eased slightly as major durum consumers and importers have turned to other suppliers of durum wheat grain. Turkey durum exports prices slid from \$443/ton in July to \$437/ton in August.

While Canadian durum supplies are down from last year, Turkey durum wheat production is up. According to FAS/Ankara and industry sources, 2023/24 Turkey durum wheat production is forecast at 4.0 mmts, up 1.0 million from the prior year. Turkey's durum wheat crop is typically consumed domestically by pasta processors; however, increased demand for durum grain and favorable prices have prompted higher exports.

So far this year, Turkey shipped over 1.0 mmts of durum grain, mostly to Italy and Canada. Last month, the Turkish government introduced restrictions on durum grain exports to conserve domestic supplies. Exporters were required to apply for export licenses in September in order to be able to export for the remainder of the year. Despite this, Turkey's durum exports are expected to comprise a significant part of the total record forecast of 8.5 mmts (wheat grain equivalent).

➤ **Wheat Export Prices (FOB, US\$/mt) as of the 18th of October 2023**

		TW	LW	LY	%Y/Y
US HRW (11.5%), Gulf	Nov	297	299	438	-32
US SRW, Gulf	Nov	252	246	392	-36
US SW, PNW	Nov	278	272	373	-25
US DNS (14%), PNW	Nov	319	317	439	-27

Argentina Grade B, Up River	Oct	300	295	423	-29
Australia APW, Port Adelaide (SA) a	Nov	312	313	385	-19
Australia ASW, Port Adelaide (SA) a	Nov	300	300	353	-15
Canada 1 CWRS (13.5%), St. Lawrence	Nov	315	313	387	-19
EU (France) Grade 1, Rouen	Oct	247	246	346	-29
EU (Germany) B quality, Hamburg	Oct	255	256	354	-28
EU (Romania) Milling (12.5%),	Nov	244	244	350	-30
Russia Milling (12.5%)	Nov	226	230	325	-30
Ukraine (<11%)	-	-	-	285	-

Fob Rouen, euros/ton. b) Jan 2000 = 100. c) 22 Mar quotation.

Source: International Grains Council - visit: http://www.igc.int/grainsupdate/igc_goi.xlsb

18 October 2023 IGC – Movements in US wheat futures markets have again been mixed, but with overall support coming from further signs of accelerating overseas demand for local supplies. This was underscored by a fresh announced sale of 181,000 mts of SRW wheat to China for delivery in 2023/24 (Jun/May), as well as a marketing year high all-wheat export sales in the week ending the 5th of October of around 0.7 mmts, which took the marketing year cumulative total to 10.1 mmts (-9% y/y).

Overall price gains were pared by USDA's upgraded numbers for US production and inventories, even though the former was already known from the earlier Small Grains Summary report. While 2023/24 all-wheat production was placed 2.1 mmts higher than in the previous monthly WASDE report, at 49.3 mmts (44.9 mmts the previous year), consumption was lifted by 0.8 mmts, to 31.5 mmts (30.7 mmts), with end-season stocks uprated by 1.5 mmts, to 18.2 mmts (15.8 mmts).

Markets also drew some comfort from steady progress for domestic 2024/25 winter wheat sowing amid mostly conducive weather, estimated at 68% complete, in line with the five-year average.

The 2023/24 spring wheat harvest in Canada's key producing provinces is now in its final stages. Despite expectations for a smaller domestic outturn, Canada's 2023/24 (Aug/Jul) cumulative all-wheat shipments through the 8th of October of 4.3 mmts were reported to be 13% ahead of last season, with durum despatches of 0.4 mmts broadly steady y/y.

Bullishly-perceived global forecasts from USDA provided mild support to Euronext futures, as did currency fluctuations and tensions in the Middle East. Reflecting the recent upturn in Chinese demand, FranceAgriMer raised the outlook for France's 2023/24 extra-EU shipments by 0.3 mmts, to 9.8 mmts (10.2 mmts), but reduced projected deliveries to other EU members by almost the same amount.

Nonetheless, French values remained anchored by strong competition from Black Sea supplies, including from Romania and Bulgaria, which filled the recent GASC tenders (Egypt). In Germany, where activity in recent weeks was mainly centered on intra-EU deliveries, nearby logistics were hampered by a sharp fall in water levels on

the Rhine river, which boosted barge freight rates. Analyst Stratégie Grains raised its common wheat production outlook for the EU by 0.6 mmts, to 125.6 mmts (125.5mmts the previous year), on increases for Romania, Poland and Slovakia, but stressed this season's major rain-related quality downgrades, notably in Germany and northern Europe.

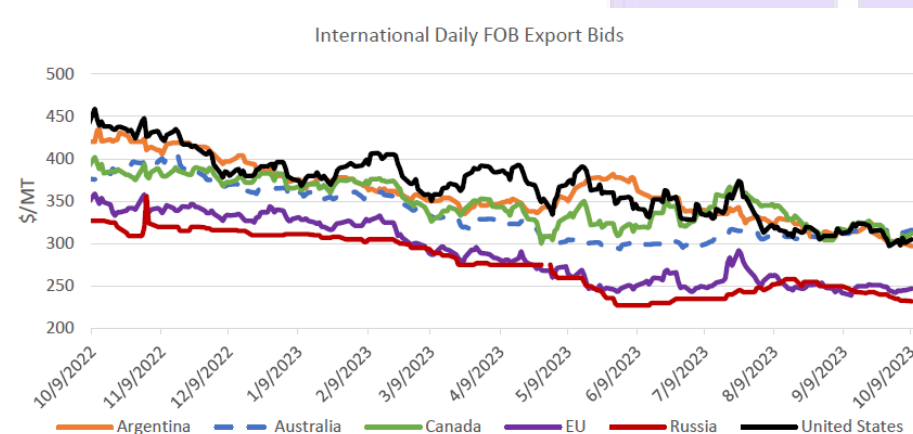
Nominal milling wheat prices in Russia continued to decline, with traders looking for new business. Participants noted a large volume of offers from Russia in the latest GASC tender, all quoted at US\$260 fob, with thin spreads among competing origins. The agency eventually sourced 470,000 mts milling wheat for December shipment, including 300,000 mts from Russia, at US\$260 FOB (freight at US\$17/mt-US\$19/mt), 170,000 mts from the EU, comprised of 120,000 mts from Romania, at US\$260/mt FOB (US\$18/mt), and 50,000 mts from Bulgaria, at US\$257/mt FOB (US\$20.00/mt). Notably, some winning tender bids from Russia included lower freight rates compared to offers from Romania, which normally has a freight advantage to Egypt.

No offers in the GASC tender were reported from Ukraine, where fresh damage to port facilities was reported due to ongoing hostilities. A local senior official estimated that around 0.3 mmts of grains had been destroyed in attacks since mid-July. While 2023/24 (Jul/Jun) shipments through the 13th of October were estimated at 3.8 mmts, broadly steady y/y, conflict-related challenges were compounded by worsening logistical bottlenecks on the key Danube river route, due to shallow water levels.

Nonetheless, there were continued efforts to boost shipments via Romania, which had also approved the scheme for direct imports of some grains and oilseeds from Ukraine, including wheat, although only for the possible replenishment of farmers and processors' stocks.

In other trade-related news, Tunisia reportedly purchased around 100,000 mts of durum at an estimated US\$415–US\$419 C&F, for November shipment, expected to be mostly sourced from Russia or Turkey.

Global Wheat Prices



Argentina	Australia	Canada	EU	Russia	United States
\$297	\$316	\$312	\$247	\$232	\$305

Note: As of October 9, 2023

Source: International Grains Council

*Note on FOB prices: Argentina- 12.0%, up river; Australia- average of APW; Kwinana, Newcastle, and Port Adelaide; Russia - Black Sea- milling; EU- France grade 1, Rouen; US- HRW 11.5% Gulf; Canada- CWRS (13.5%), Vancouver

12 October 2023 USDA FAS – Overall, major exporter quotes declined since the September WASDE with strong ongoing export competition from Russia and the EU as well as Ukrainian grain exports from Odesa for the first time since the end of the Black Sea Grain Initiative. Russian quotes experienced the largest decline, dropping \$18/ton, with the conclusion of the wheat harvest and ample supplies.

Argentine quotes fell \$17/ton on pressure from other exporters.

U.S. quotes slid \$9/ton on a larger-than-expected spring wheat production in the recent NASS Small Grains Summary report.

Canadian quotes declined \$6/ton as Statistics Canada published a slightly higher all-wheat production forecast.

Conversely, Australian quotes were up \$4/ton with growing concern of crop conditions.

EU quotes were virtually unchanged as strong demand for EU supplies in Asia and Africa balanced stiff competition from Russia.

➤ U.S. Imports from the European Union

16 October 2023 USDA ERS – With U.S. HRW wheat prices elevated this year due to drought and tight beginning stocks, wheat imports from the European Union (EU) have occurred in some U.S. ports.

The Harmonized Tariff System (HTS) code used for these imports has been 1001990097, which, according to the USDA, ERS methodology, is counted as 75% Hard Red Spring and 25% Soft Red Winter. However, market sources indicate that the imported wheat from Europe is functionally most like HRW.

In the September Wheat Outlook, it was noted that USDA, ERS intends to more fully account for imports from the EU in HRW. To accomplish this, USDA, ERS intends to adjust the proportional allocation for HTS code 1001990097 specifically during MY 2023/24. This methodology change will be reflected in the Wheat Data and the By-Class Quarterly balance sheets in November. The change will be explained in a feature article in the November Wheat Outlook. This adjusted methodology underlies the marketing year forecasts for by-class imports and will eventually be reflected in the final marketing year import data. At this time, this revised methodology is not intended to be applied to any other marketing years.

➤ USDA – U.S. Wheat Supply & Demand Outlook

Wheat United States as of October 2023							
Attribute	23/24 Oct'23	Change	23/24 Sep'23	22/23	21/22	20/21	19/20
Area Harvested (1000 HA)	15,084	-242(-1.58%)	15,326	14,358	15,032	14,888	15,133
Beginning Stocks (1000 MT)	15,828	+41(+.26%)	15,787	19,008	23,001	27,985	29,386
Production (1000 MT)	49,314	+2117(+4.49%)	47,197	44,898	44,804	49,751	52,581
MY Imports (1000 MT)	3,674	+136(+3.84%)	3,538	3,317	2,617	2,726	2,828
TY Imports (1000 MT)	3,600	-	3,600	3,275	2,737	2,686	2,836
TY Imp. from U.S. (1000 MT)	0	-	0	0	0	0	0
Total Supply (1000 MT)	68,816	+2294(+3.45%)	66,522	67,223	70,422	80,462	84,795
MY Exports (1000 MT)	19,051	-	19,051	20,647	21,656	27,048	26,373
TY Exports (1000 MT)	19,000	-	19,000	20,262	21,347	26,636	26,392
Feed and Residual (1000 MT)	3,266	+817(+33.36%)	2,449	2,417	1,749	2,536	2,592
FSI Consumption (1000 MT)	28,277	-	28,277	28,331	28,009	27,877	27,845
Total Consumption (1000 MT)	31,543	+817(+2.66%)	30,726	30,748	29,758	30,413	30,437
Ending Stocks (1000 MT)	18,222	+1477(+8.82%)	16,745	15,828	19,008	23,001	27,985
Total Distribution (1000 MT)	68,816	+2294(+3.45%)	66,522	67,223	70,422	80,462	84,795
Yield (MT/HA)	3.27	+(+6.17%)	3.08	3.13	2.98	3.34	3.47

Source: USDA PS&D

12 October 2023 USDA WASDE – The USDA outlook for 2023/24 U.S. wheat this month was for higher supplies, increased domestic use, unchanged exports, and higher ending stocks.

US wheat supplies were raised 85 mbus, primarily on higher production as reported in the NASS Small Grains Annual Summary, released September 29th.

Domestic use is raised 30 mbus, all on higher feed and residual use.

The NASS Grain Stocks report released September 29 indicated a higher year-to-year increase for first quarter (June-August) domestic disappearance than previously expected.

US exports remain at 700 mbus with several offsetting by-class changes. Projected ending stocks are raised by 55 mbus to 670 million, up 15% from last year.

The USDA season-average farm price is reduced \$0.20 /bu to \$7.30 on higher projected stocks and expectations for futures and cash prices for the remainder of the marketing year.

➤ US Domestic Changes for Wheat by Class:

Table 2 U.S. wheat stocks by-class estimates, September 1, 2023 and June 1, 2023, million bushels					
	September 1, 2023		June 1, 2023		
	Estimate	Year-to-year change (Percent)	Updated estimate	Previous estimate	Revision
Hard Red Winter	652.3	-7	233.8	232.1	1.8
Hard Red Spring	483.0	-1	158.0	158.0	0.0
Soft Red Winter	368.0	31	90.0	90.0	0.0
White	219.0	-14	72.0	72.0	0.0
Durum	57.3	7	27.7	28.0	-0.3
All wheat	1,779.5	0	581.6	580.1	1.5

Source: USDA, Economic Research Service calculations using data from USDA, National Agricultural Statistics Service.

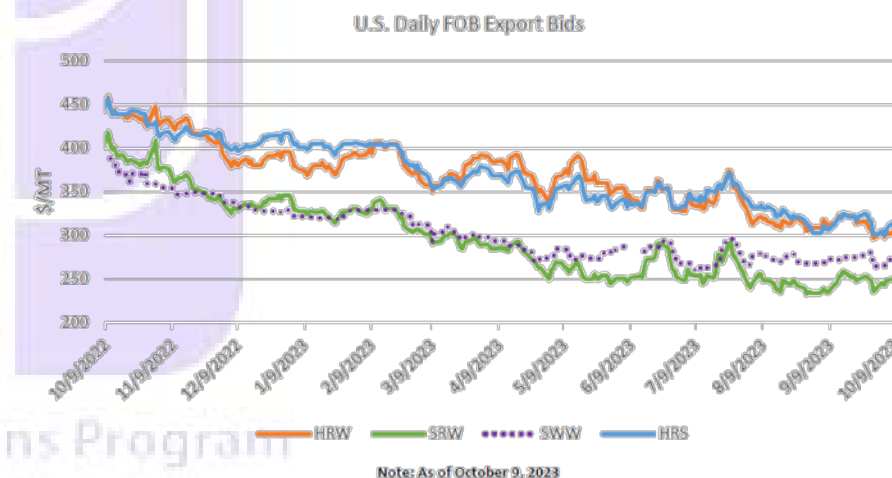
By-Class Stocks Estimates

16 October 2023 USDA ERS – USDA, NASS released updated stocks estimates on September 29, 2023, in its Grain Stocks report. The report provided the first estimate of wheat stocks as of September 1st, 2023, the end of first quarter, as well as updated stocks data for June 1st, 2023.

The September 1st all-wheat stocks were estimated at 1,780 mbus, nearly unchanged from a year ago. Durum stocks as of that date are estimated at 57 mbus, up 7% from last year. USDA, Economic Research Service (ERS) estimates stock levels for the other classes—partly based on analysis of State-level data from NASS (table 2). SRW stocks are estimated up substantially from the previous year based on a bumper 2023/24 crop. White and HRW stocks are both down from the previous year with drought having affected harvest volumes for both classes. USDA, NASS revised June 1st stocks marginally as well.

The by-class quarterly spreadsheet for 2022/23 is updated this month to account for small adjustments to production, seed use, feed and residual use, and stocks. The next release of the by-class quarterly data will be after the November WASDE to include the first quarter of the 2023/24 marketing year, once food use data is available.

US Wheat Prices



Source: International Grains Council

*Note on FOB prices: HRW (Hard Red Winter); SRW (Soft Red Winter); SWW (Soft White Wheat); HRS (Hard Red Spring)

12 October 2023 USDA WASDE – The U.S. quotes have mostly climbed since the September WASDE. Soft Red Winter (SRW) had the largest increase, up \$15/ton to \$251, with recent sales to China demonstrating improved overseas demand. Hard Red Spring (HRS) prices rose \$7/ton to \$315 on reasonably strong export sales to

date, especially to Asia. Soft White Wheat (SWW) prices also climbed \$4/ton to \$273. Meanwhile, Hard Red Winter (HRW) quotes declined \$9/ton to \$305 on sluggish export sales to date and declining international prices. Total commitments, as reported by the FAS U.S. Export Sales report, are down 46% from the same week last year due to tighter supplies and uncompetitive pricing.

		U.S. Wheat by Class: Supply and Use					
Year beginning June 1		Hard Red Winter	Hard Red Spring	Soft Red Winter	White	Durum	Total
		Million Bushels					
2022/23 (Est.)	Beginning Stocks	376	146	99	54	24	698
	Production	531	446	336	272	64	1,650
	Imports	5	56	4	7	51	122
	Supply, Total 3/	911	648	439	333	139	2,470
	Food	374	266	163	85	85	973
	Seed	29	17	14	6	3	68
	Feed and Residual	51	-7	65	-20	0	89
	Domestic Use	453	276	242	70	88	1,130
	Exports	224	214	107	190	23	759
	Use, Total	678	490	349	261	111	1,888
	Ending Stocks, Total	234	158	90	72	28	582
2023/24 (Proj.)	Beginning Stocks	234	158	90	72	28	582
	Production	601	468	449	235	59	1,812
	Imports	20	60	5	5	45	135
	Supply, Total 3/	855	686	544	312	132	2,529
	Food	374	260	170	85	85	974
	Seed	27	18	12	6	2	65
	Feed and Residual	30	10	80	0	0	120
	Domestic Use	431	288	262	91	87	1,159
	Exports	145	225	145	160	25	700
	Use, Total	576	513	407	251	112	1,859
	Ending Stocks, Total Oct	279	173	137	61	20	670
	Ending Stocks, Total Sep	256	138	138	60	23	615

Note: Totals may not add due to rounding. 1/ Marketing year beginning June 1. 2/ Marketing-year weighted average price received by farmers. 3/ Includes imports.

16 October 2023 USDA ERS – Based on the USDA National Agricultural Statistics Service (NASS) Small Grains Annual Summary, released September 29th, U.S. wheat production is raised 78 mbus this month to 1,812 mbus, up 10% from last year.

- Soft Red Winter (SRW) is raised 9 mbus to 449 million with a higher yield, which more than offsets reduced area harvested.
- Hard Red Winter (HRW) is increased 16 mbus to 601 million on higher yield, more than offsetting lower area harvested.
- Hard Red Spring (HRS) is raised 55 mbus to 468 million on higher estimated yield.
- White wheat production is reduced 4 mbus to 235 million on lower yield and area harvested.
- Durum production is raised 2 mbus to 59 million on higher yield, more than offsetting lower area harvested.

U.S. all-wheat imports for 2023/24 are raised 5 mbus to 135 million on the fast pace of imports to date. Based on the pace of trade for the respective classes, HRS and HRW are each raised 5 mbus to 60 million and 20 million, respectively. Durum imports are lowered 5 mbus to 45 million on a slower pace of trade, possibly related

to tighter Durum supplies in Canada. Official U.S. wheat imports for June–August 2023, calculated with data from U.S. Department of Commerce, Bureau of the Census, are estimated at 36 million, up 9% from the same months in 2022.

US feed and residual use for 2023/24 is forecast up 30 mbus to 120 mbus. USDA, NASS Grain Stocks report estimated U.S. September 1st stocks at 1,780 mbus, which considering the larger production figure, implies higher-than-expected feed and residual use for the first quarter of 2023/24.

All-wheat exports for the United States in 2023/24 are projected at 700 mbus, unchanged from the September forecast. Offsetting by-class adjustments are applied, based primarily on the pace of export sales and shipments for the respective classes. HRS and SRW exports are each raised 10 mbus to 225 million and 145 mbus, respectively. White and HRW exports are lowered 10 mbus to 160 million and 145 million, respectively.

The 2023/24 season-average farm price is lowered \$0.20 /bu to \$7.30. The August all-wheat average farm price is reported at \$7.35 based on the latest USDA, NASS Agricultural Prices report, down from \$7.61 in July 2023. Larger U.S. wheat supplies and robust Black Sea export competition have pressured futures prices even as global supplies have tightened.

CME CBOT Wheat Futures – Daily Nearby



Source: <https://www.barchart.com/futures/quotes/ZWU22/interactive-chart>

The wheat market faded on Friday. CBOT prices were fractionally to 8 cents in the red at the close, leaving the December contract at a net 6¼ cent gain for the week after a brief peek at \$6.00.

KC futures were down by 4 to 6¼ cents on Friday, finishing out the week UNCH to fractionally higher.

Minneapolis futures closed the day near the session lows with 6 to 8c losses. Dec HRS was up a net 8 ¾ cents from Friday to Friday.

Recent rainfall in Australia has private analysts raising the estimated wheat output by 3 mmts to 28 mmts.

The International Grains Council raised wheat production by 2 mmts to 785 mmts. Stocks were maintained at 263 mmts.

StoneX estimated the Brazilian wheat crop at 10.5 mmts, a 5.9% decrease from the prior estimate.

CME SRW futures December 2023 CBOT wheat closed on Friday at \$5.86/bu, down 8 cents on the day, but gaining 6 cents on the week. Mar24 CBOT Wheat closed at \$6.13½, down 6¼ cents,

SRW spreads were able to relax a little with WZ/WH pushing back out to 27½ cents.

The weekly Commitment of Traders report showed managed money held a 104,407 contract net short in Chicago wheat futures at the 17th of October settle. That was a 72 contract stronger net short as the new selling slightly offset the week's new spec longs. Managed money was shown with a 26,951 contract net short. That was 1k contracts stronger via net new selling.

CME is resetting price limits for HRW and SRW effective November 1st. Looks like they are going to reduce them from 60 to 50 cents.

➤ **U.S. Export SRW Wheat Values – Friday the 20th October 2023**

SRW Wheat Gulf barge quotes, in cents/bus basis CBOT futures:

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

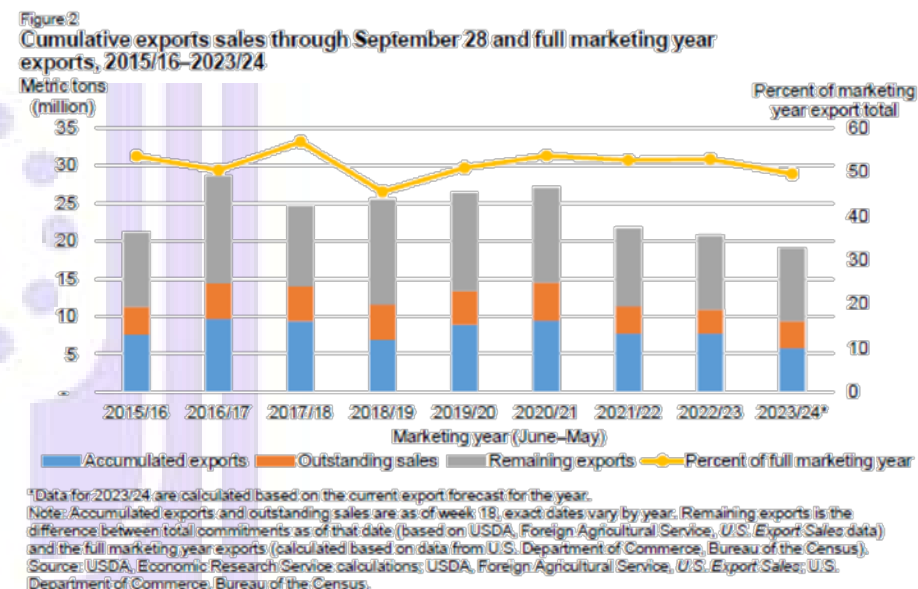
Gulf barge/rail quotes, in cents/bus.

CIF SRW WHEAT	10/19/2023	10/20/2023		
OCT	105 / 115	105 / 115	Z	UNC
NOV	105 / 115	105 / 115	Z	UNC

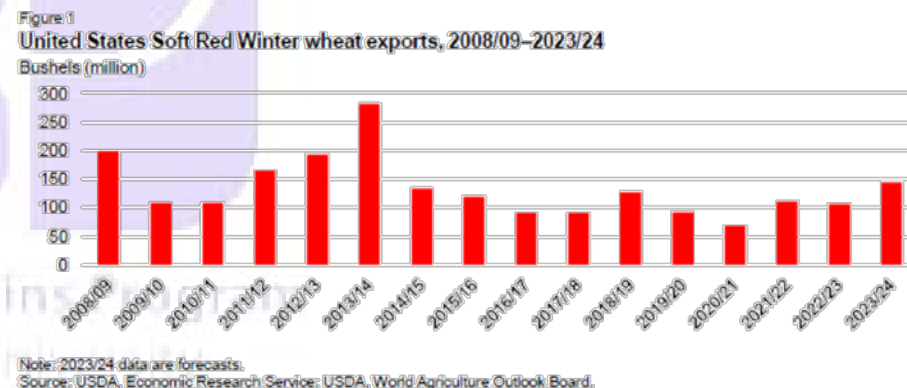
➤ **U.S. Export Sales Pace Remains Slow**

16 October 2023 USDA ERS – U.S. export sales, as reported in the USDA, Foreign Agricultural Service (FAS) U.S. Export Sales report, are well behind last year's pace through September 28, 2023. Total U.S. commitments (the sum of accumulated exports and outstanding sales) are at 9.4 mmts, down 14% from the same point last year. The full marketing year (MY) forecast at 700 mbus is 8% below the 759 mbus exported in the previous year. Total commitments at this point account for 50% of the full marketing year estimate, compared with 53% a year ago (figure 2). In the previous 8 years, only 2018/19 (45%) had a lower% of accounted for at this point in the year. Export sales pace varies by class with HRW and White running relatively slow, while SRW and HRS have recently accelerated. Official U.S. wheat exports for

June–August 2023, calculated with data from the U.S. Department of Commerce, Bureau of the Census, are estimated at 164 mbus, 22% below the 209 mbus during June–August 2022.



➤ **Soft Red Winter Exports Forecast at 10-Year High**



16 October 2023 USDA ERS – U.S. Soft Red Winter (SRW) exports are forecast up 10 mbus this month to 145 mbus, the largest since 2013/14 (figure 1). SRW production this year is up 34% from the previous year based on record yield and a 21-percent expansion in area harvested. This class of wheat has benefited from multiple years of favorable weather and bumper yields, with production the largest in

9 years. This is in contrast to U.S. Hard Red Winter (HRW) supplies, which are historically tight following back-to-back droughts. If the current forecasts are realized, SRW exports will be equal to HRW exports for the first time since official records began (by-class historical records extend to 1973/74). SRW is priced competitively for export into many markets, supporting a brisk pace of sales and shipments. Notably, USDA, Foreign Agricultural Service reported on October 3 that China had purchased 220,000 metric tons of SRW or more than 8 mbus. China was also a major buyer of SRW in 2013/14, when total exports of that class reached 283 mbus.

➤ **CME KC HRW Wheat Futures – Daily Nearby**



Source: <https://www.barchart.com/futures/quotes/KEU22/interactive-chart>

Kansas December 2023 HRW Wheat Futures settled on Friday at \$6.70/bu, off 6 ¼ cents on the day, and up just a penny on the week.

The weekly Commitment of Traders report showed Minneapolis spec traders adding shorts through the week as well. That strengthened the group's net short by 2k contracts to 25,729.

KZ/KH continues to trade near 9-carry with hedges in the month you plan to logistically ship.

➤ **U.S. Export HRW Wheat Values – Friday the 20th October 2023**

HRW Wheat Texas Gulf Rail quotes, in cents/bus basis KCBT futures:

Changes are from the AM Barge basis report. Gulf barge/rail quotes, in cents/bus.

TX GULF HRW

12% Protein

10/19/2023

10/20/2023

OCT

- / -

na

HRW basis overall continues to have a soft tone. Rumors of export business but no confirmation. With UP cars trading so cheap, there is freight chasing bushels.

HRW protein scales; low 11's down 4 cents and upper 11's and 12's down 10 cents.

USDA reported yet another strong week of export demand for U.S. wheat, coming in at 23.2 mbus to put year-to-date commitments at 394 mbus, which is 5% behind a year ago and 18% below the five-year average pace.

China topped the buying list again this week with 6.7 mbus in soft red winter purchases, followed by 4.6 mbus for the Philippines and 3.1 mbus to unknown of mostly soft white wheat.

Chinese purchases put soft red winter at the top of the sales list again, recording 9.1 mbus to put sales at 95 mbus, which stands 25% ahead of a year ago and 53% above average.

Hard red spring recorded 3.3 mbus in new business and with 134 mbus in commitments, sets 10% ahead of a year ago but 3% below the average pace.

White wheat registered the best week of the marketing year with 7.8 mbus in sales and now sets 8% behind a year ago and 16% below average.

➤ **MGE HRS Wheat Futures – Daily Nearby**



Source: <https://www.barchart.com/futures/quotes/MWU22/interactive-chart>

MGE December 2023 HRS Wheat Futures settled on Friday at \$7.30¾/bu, off 8 ¼ cents on the day, while gaining 8¾ cents on the week.

HRS spot floor saw no offers. The MZ/KZ closed at 60 cents, which is 20 cents off its low starting the month.

Portland Price Trends

19 October 2023

	10-01-22	01-01-23	09-01-23	10-12-23	10-19-23
#1 SWW (bu)	9.30	8.55	6.80	6.85	6.85
White Club	9.80	9.05	7.05	7.25	7.25
DNS 14%	10.06	10.19	8.10	7.98	8.05
HRW 11.5%	11.09	10.08	7.43	7.15	7.06
#2 Corn (ton)	303.00	302.00	246.00	250.00	247.00
#2 Barley	240.00	250.00	200.00	180.00	180.00

West coast white wheat markets held right at \$6.85 through the week, with bids bolstered by recent export demand and very limited offers at the farm level.

Nearby basis to Chicago also remains firm at more than a dollar over Chicago futures.

International Grains Program
Kansas State University

RICE

World Rice Supply & Demand Outlook

Rice, Milled World as of October 2023							
Attribute	23/24 Oct'23	Change	23/24 Sep'23	22/23	21/22	20/21	19/20
Area Harvested (1000 HA)	165,986	-9(-.01%)	165,995	165,549	165,581	164,999	161,544
Beginning Stocks (1000 MT)	172,862	+624(+.36%)	172,238	182,636	187,291	181,570	176,740
Milled Production (1000 MT)	518,136	+52(+.01%)	518,084	513,683	514,344	509,490	498,445
Rough Production (1000 MT)	773,655	+95(+.01%)	773,560	767,286	767,961	760,715	744,255
Milling Rate (.9999) (1000 MT)	6,697.25	(%)	6,697.40	6,694.80	6,697.53	6,697.51	6,697.23
MY Imports (1000 MT)	49,680	-130(-.26%)	49,810	54,603	54,390	46,384	42,493
TY Imports (1000 MT)	50,282	+520(+1.04%)	49,762	51,414	54,807	49,810	43,925
TY Imp. from U.S. (1000 MT)	0	-	0	0	2,173	2,851	2,798
Total Supply (1000 MT)	740,678	+546(+.07%)	740,132	750,922	756,025	737,444	717,678
MY Exports (1000 MT)	52,334	+187(+.36%)	52,147	54,703	56,901	51,240	43,448
TY Exports (1000 MT)	52,503	+405(+.78%)	52,098	53,813	56,123	52,176	45,369
Consumption and Residual (1000 MT)	520,879	+489(+.09%)	520,390	523,357	516,488	498,913	492,660
Ending Stocks (1000 MT)	167,465	-130(-.08%)	167,595	172,862	182,636	187,291	181,570
Total Distribution (1000 MT)	740,678	+546(+.07%)	740,132	750,922	756,025	737,444	717,678
Yield (Rough) (MT/HA)	4.66	-	4.66	4.63	4.64	4.61	4.61

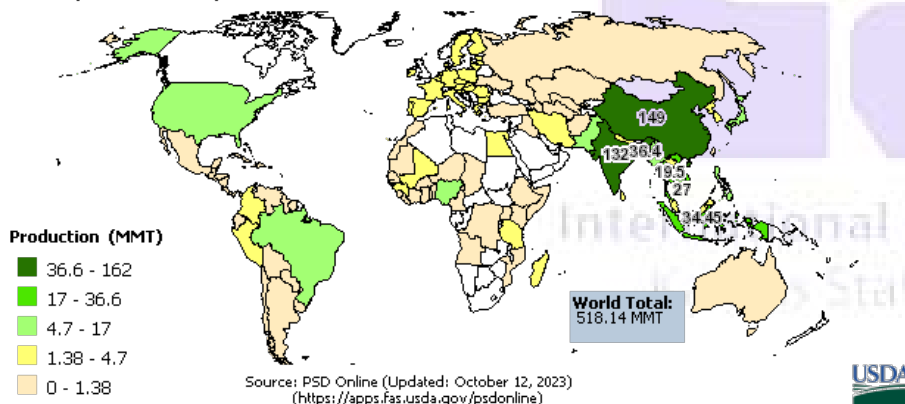
Source: USDA PS&D

12 October 2023 USDA WASDE – The USDA 2023/24 global rice outlook was for slightly increased supplies, consumption, and trade compared with last month, leaving ending stocks nearly unchanged.

With minimal changes to rice production globally, higher beginning stocks for Indonesia explain most of the increase in 2023/24 global supplies.

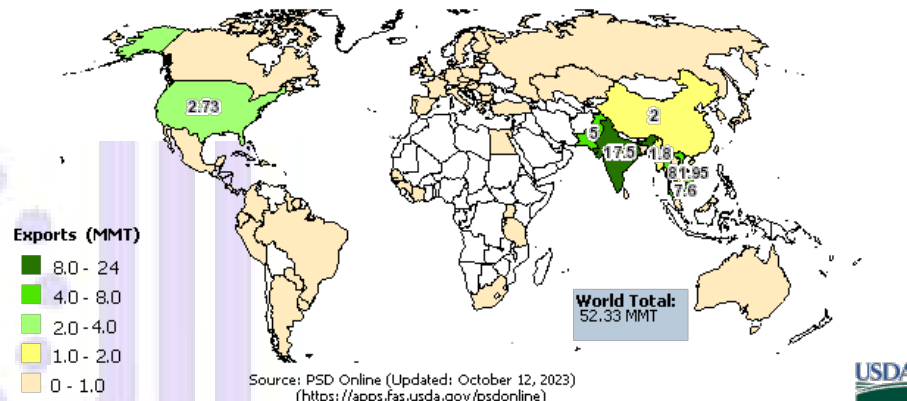
Global consumption is forecast higher with increases in Indonesia, Colombia, and China.

2023/2024 Rice, Milled Production



Source: USDA FAS <https://ipad.fas.usda.gov/oqamaps/map.aspx?comdy=Wheat&attribute=Production>

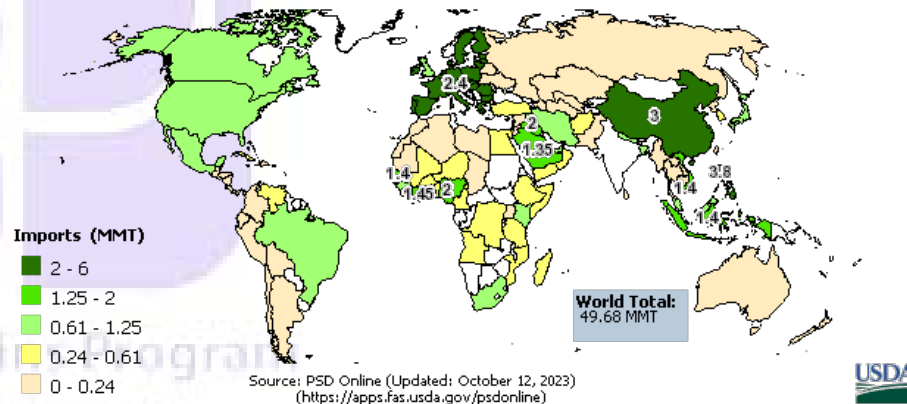
2023/2024 Rice, Milled Exports



Source: USDA FAS <https://ipad.fas.usda.gov/oqamaps/map.aspx?comdy=Wheat&attribute=Exports>

Global trade was raised this month for both 2022/23 and 2023/24 as Indonesia, the fourth-largest rice-consuming country, imports more to replenish government stocks on supply concerns. Global exports are raised slightly on increases for Cambodia and Vietnam.

2023/2024 Rice, Milled Imports



Source: USDA FAS <https://ipad.fas.usda.gov/oqamaps/map.aspx?comdy=Wheat&attribute=Exports>

Imports are forecast up primarily for Indonesia given the government's announcement to import more to ensure sufficient supplies.

World ending stocks for rice were nearly unchanged from last month at 167.5 mmts, with an offsetting increase to stocks for Indonesia and decreases for China and Colombia, but remain the lowest in six years.

TRADE CHANGES IN 2023 (1,000 MT)

Country	Attribute	Previous	Current	Change	Reason
China	Imports	3,500	3,000	-500	Large supplies; higher global prices reduce import demand
Indonesia	Imports	2,000	2,800	800	Government announces intentions to import more rice
Iran	Imports	1,100	1,000	-100	Less demand due to high global prices
Iraq	Imports	2,200	2,000	-200	Less demand due to high global prices
Senegal	Imports	1,300	1,400	100	Additional shipments with exceptions to India rice export ban
Vietnam	Imports	1,500	1,800	300	Larger purchases of Cambodia and India rice
Cambodia	Exports	1,800	1,900	100	Large shipments to Vietnam
China	Exports	1,400	1,600	200	Increased exports to Indonesia
Vietnam	Exports	8,000	8,400	400	Strong demand from Philippines and Indonesia

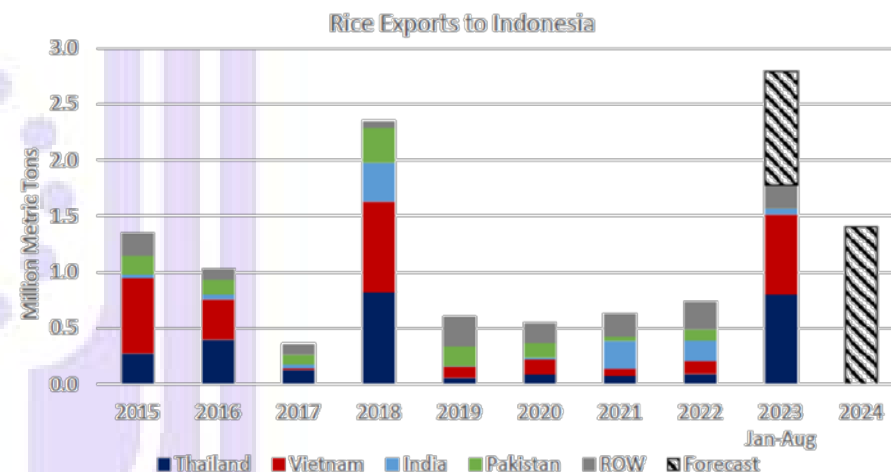
TRADE CHANGES IN 2024 (1,000 MT)

Country	Attribute	Previous	Current	Change	Reason
Indonesia	Imports	700	1,400	700	Government announces intentions to import more rice
Iran	Imports	1,250	1,150	-100	High global prices lessen demand
Cambodia	Exports	1,850	1,950	100	More competitive against high-priced Asian suppliers
China	Exports	2,000	2,200	200	Increased exports to Indonesia
Vietnam	Exports	7,500	7,600	100	Demand from Indonesia

➤ **Indonesia Rice Imports Soar to Highest in 5 Years**

12 October 2023 USDA WASDE – Prompted by concerns about rice supplies amid El Niño weather patterns, the Indonesian government announced intentions to import significant volumes of rice in 2023. While Indonesia is the fourth largest consumer, it typically produces enough to satisfy domestic needs. However, Indonesia does import intermittently and when that happens, it can sharply impact global trade.

In 2023, imports are forecast to nearly quadruple from the prior year, making Indonesia the third-largest importer. Imports are forecast to decline in 2024, but are still anticipated to be well above average, straining an already tight global rice market.



Source: Trade Data Monitor, LLC & Vietnam Customs

The Indonesian government operates several food security programs, relying mostly on domestically supplied rice through the auspices of the state-owned logistics company BULOG. In March, the government authorized BULOG to import rice amid lower-than-anticipated domestic procurement and tighter stocks, leading imports to accelerate over 2023 with a recent authorization for more imports.

The surge in import demand from Indonesia comes at a time when global exportable supplies are constrained. India was the top supplier to Indonesia in 2021 and 2022, and the two countries had discussed a deal for up to 1 mmts of imports prior to India's ban imposed in July on certain rice exports. Thus far this year, Indonesia has mostly purchased from Vietnam and Thailand, one factor in the decline in stocks in those countries. Pakistan exports to Indonesia were virtually nonexistent over the past year due to its smallest crop in a dozen years harvested last fall, though Pakistan's current crop being harvested now will rebound significantly, resulting in more available supplies.

Indonesia has also expressed an intention to import 1 mmts from China, which if realized would be the largest quantity from China since 1998. Chinese prices are competitive relative to other exporters and may provide relief in a tight global market.

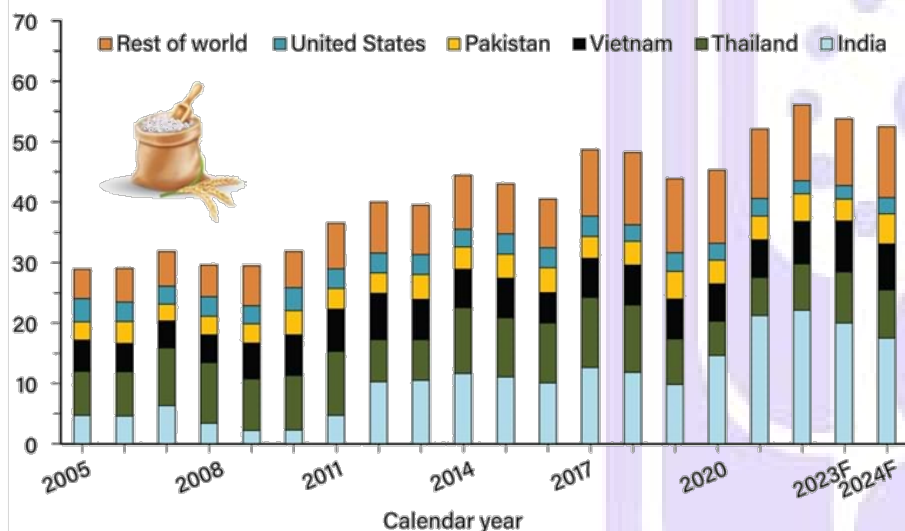
Despite Indonesian government authorization to buy another 2 mmts by the end of 2023, based on the tight global market situation, USDA forecasts Indonesia 2023 imports at 2.8 mmts, with 2024 imports raised to 1.4 million.

➤ **India's export restrictions to reduce global rice trade in 2023 and 2024**

Global rice trade, 2005-2024F

USDA Economic Research Service
U.S. DEPARTMENT OF AGRICULTURE

Millions of tons exported



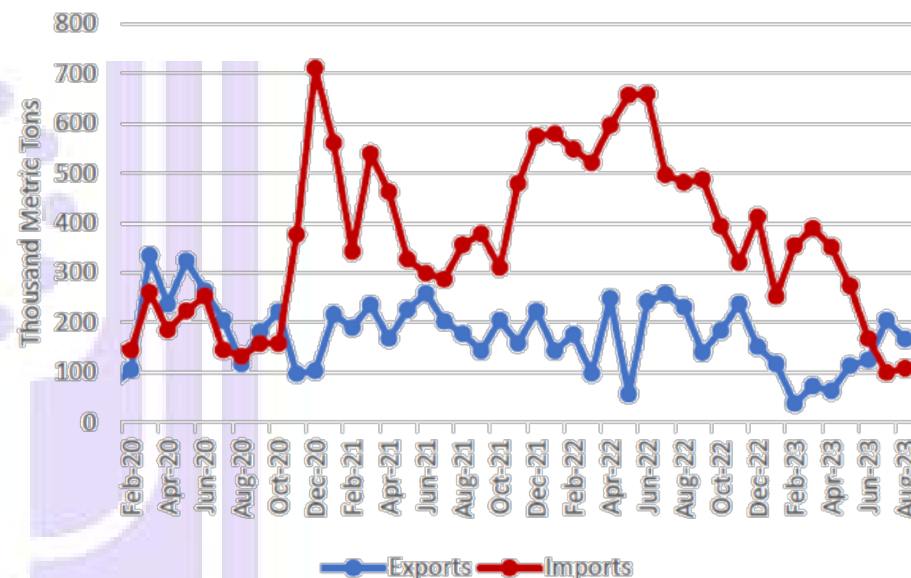
Note: F = forecast. 2023 and 2024 are forecasts. Data are shown for rice on a milled basis. Rest of world consists primarily of Burma, China, Cambodia, Argentina, Brazil, Paraguay, Uruguay, and Australia.

Source: USDA, Economic Research Service calculations based on data from the USDA, Foreign Agricultural Service, Production, Supply, and Distribution database.

16 October 2023 USA ERS - Global rice trade is projected to decline in 2023 and 2024 after India, the world's largest rice exporter, implemented additional export restrictions on rice in July and August 2023. India accounted for more than 40% of global exports in 2022, supplying more rice than each of the next four largest suppliers—Thailand, Vietnam, Pakistan, and the United States. In summer 2023, India placed a ban on export sales of regular-milled white rice while imposing tariffs and additional restrictions on other types of exported rice. Global prices for rice then rose by 12 to 14% by the end of July. Prices continued to surge in August, reaching their highest since 2008, dropping slightly by mid-September as panic buying slowed. The impact is felt by many of the world's food-insecure countries, especially in Sub-Saharan Africa, India's largest export market. This region is expected to import less rice in 2023 and 2024 even as Thailand, Vietnam, and Pakistan pick up additional sales, despite tight supplies in Thailand and Vietnam. This chart is drawn from the October 2023 Rice Outlook, published by USDA, Economic Research Service. Also see the August 2023 and September 2023 Rice Outlook.

➤ **China Monthly Rice Exports Eclipse Imports for First Time in 3 Years**

China Monthly Rice Trade Jan 2020-Aug 2023



Source: Trade Data Monitor, LLC

China is the world's largest producer and consumer of rice and plays a significant role in global trade as the top importer in recent years. However, China's prominence as an importer is waning, while its exports are rebounding in response to global rice market conditions. Notably, in both July and August, China exports exceeded imports for the first time since October 2020. Accordingly, 2023/24 (July/June) China imports have been lowered to 3 mmts, while exports are set at 2 million.

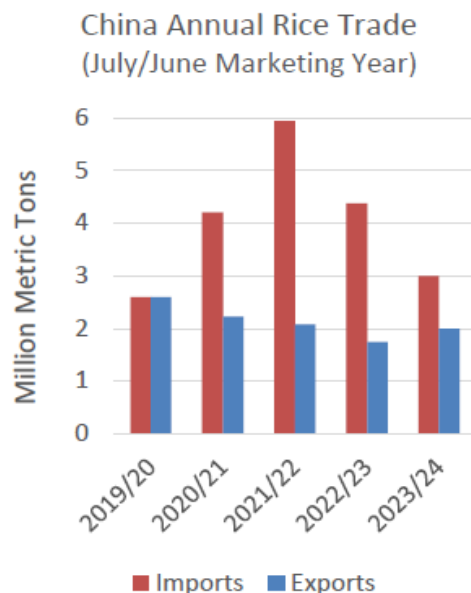
China imports in 2023 have fallen by more than half compared to the prior year, mostly due to lower supplies of broken rice from India and high prices for imported rice. When corn prices soared in 2022, China increased imports of broken rice to use as a lower-priced feed ingredient. India was the primary supplier of broken rice to China, but India banned broken rice exports in September 2022 and trade fell sharply as China returned to corn and other alternative feed ingredients. Historically, broken rice has filled a small proportion of China's imports compared to milled rice.

Notably, milled rice imports decreased throughout the year as India's export ban on non-basmati white rice (highlighted in last month's Grain World Markets and Trade report) has been a key factor raising world prices and making imports less competitive. Export prices from key supplier Vietnam have risen with reduced production and lower stocks.

The latest China Grain and Feed Update notes that import prices are now uncompetitive compared to domestic prices. Additionally, temporary trade restrictions from neighboring Burma sharply reduced border trade.

China rice exports slid last marketing year as India expanded market share in Africa. Now that India has banned exports of non-basmati, non-parboiled rice, China is expected to export more to price-sensitive African countries. Additionally, China has been a key medium-grain rice exporter to principal markets such as Egypt and Papua New Guinea. Indonesia announced further plans to import rice and expressed interest in importing from China (see El Niño Conditions Compel Indonesia to Import Additional 2 mmts of Rice).

As countries continue to seek affordable alternatives to India, China will become a more attractive option.



Thai quotes fell \$59 to \$595/ton and Vietnamese quotes fell \$27 to \$616/ton as buyers held off on new purchases and waited for lower prices.

Pakistani quotes dropped \$56 to \$554/ton, anticipating a near-record harvest.

Export quotes for India white rice have been unavailable since India's imposition of an export ban on the 20th of July.

➤ **Rice Export Prices (FOB, US\$/mt) as of the 18th of October 2023**

RICE		TW	LW	LY	%Y/Y
US No.2 4% Broken, Gulf	Oct	729	722	691	5
India 25% Broken, Kakinada	Oct		364		
India 5% Broken, Kakinada	Oct		375		
India parboiled 5% Broken, Kakinada	Oct	500	510	370	35
Pakistan 5% Broken, Karachi	Oct	562	551	390	44
Thailand 5% Broken, Bangkok	Oct	580	575	412	41
Thailand Parboiled 100% STX, Bangkok	Oct	578	571	422	37
Vietnam 5% Broken, Ho Chi Minh	Oct	610	605	426	43

Source: International Grains Council

Despite generally slow demand, international rice prices were slightly firmer w/w amid reports that Indonesia's state grains buyer, Bulog, had secured cargoes from Thailand, Vietnam, Pakistan and Myanmar.

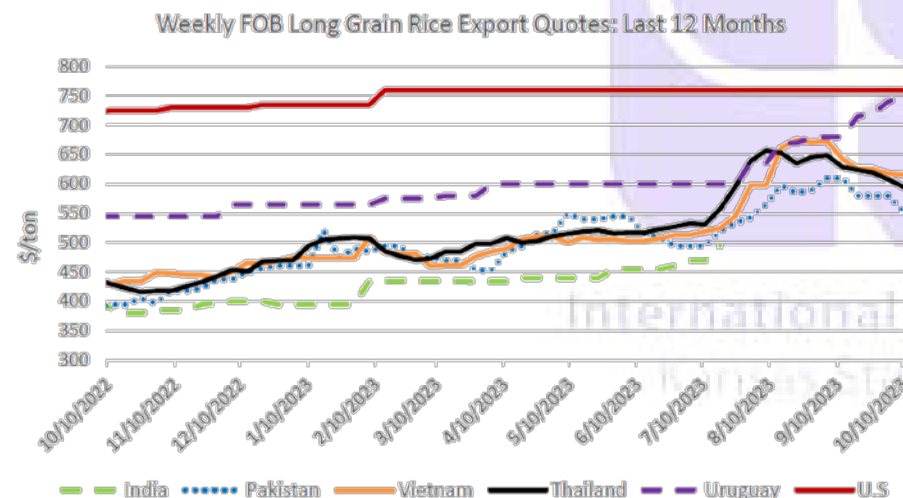
Thai white and parboiled rice prices ticked higher as exporters covered sales to Indonesia, with a mild appreciation of the baht adding support to dollar-denominated offers.

Prices in Vietnam and Pakistan also firmed, albeit as new crop harvesting capped gains at the latter origin.

In India, parboiled offers retreated as exporters looked to generate fresh buying interest following confirmation that the 20% export duty would remain in place until March 2024, while the minimum export price of US\$1,200 FOB for basmati rice was extended until further notice.

The Food Corporation of India placed 1 October milled rice inventories at 22.2 mmts (20.5 mmts previous year), with un-milled (paddy) stocks at 13.8 mmts (11.8 mmts).

Global Rice Prices



12 October 2023 USDA FAS – In the past month, U.S. export quotes remained at \$760/ton, while Uruguayan quotes rose \$70 to \$750/ton on tightening supplies.

➤ **USDA – U.S. Rice Supply & Demand Outlook**

Rice, Milled United States as of October 2023							
Attribute	23/24 Oct'23	Change	23/24 Sep'23	22/23	21/22	20/21	19/20
Area Harvested (1000 HA)	1,153	-	1,153	879	1,006	1,208	1,002
Beginning Stocks (1000 MT)	961	-	961	1,261	1,387	910	1,424
Milled Production (1000 MT)	7,001	-13(-.19%)	7,014	5,092	6,083	7,224	5,877
Rough Production (1000 MT)	10,001	-19(-.19%)	10,020	7,274	8,690	10,320	8,396
Milling Rate (.9999) (1000 MT)	7,000.30	+(+%)	7,000	7,000.27	7,000	7,000	6,999.76
MY Imports (1000 MT)	1,238	-	1,238	1,267	1,199	1,082	1,186
TY Imports (1000 MT)	1,250	-	1,250	1,250	1,315	978	1,210
TY Imp. from U.S. (1000 MT)	0	-	0	0	0	0	0
Total Supply (1000 MT)	9,200	-13(-.14%)	9,213	7,620	8,669	9,216	8,487
MY Exports (1000 MT)	2,731	+32(+1.19%)	2,699	2,042	2,650	2,969	2,991
TY Exports (1000 MT)	2,700	+50(+1.89%)	2,650	2,250	2,191	2,950	2,857
Consumption and Residual (1000 MT)	5,143	-1(-.02%)	5,144	4,617	4,758	4,860	4,586
Ending Stocks (1000 MT)	1,326	-44(-3.21%)	1,370	961	1,261	1,387	910
Total Distribution (1000 MT)	9,200	-13(-.14%)	9,213	7,620	8,669	9,216	8,487
Yield (Rough) (MT/HA)	8.67	(-.23%)	8.69	8.28	8.64	8.54	8.38

Source: USDA PS&D

12 October 2023 USDA WASDE – The USDA 2023/24 US rice outlook was for slightly reduced supplies, higher exports, unchanged domestic use, and lower ending stocks.

US rice supplies were reduced slightly on lower production as the NASS October Crop Production report decreased the all rice yield 14 pounds per acre to 7,737 pounds, which remains a record. The 2023/24 export forecast is raised 1.0 mcwt to 86.0 million, all long-grain rice, on a stronger-than-expected pace of early sales and shipments to Mexico and Central America.

The USDA season-average farm price for all rice is unchanged at \$16.80 per cwt.

➤ **US Rice Production Projected To Increase Almost 38% in 2023/24**

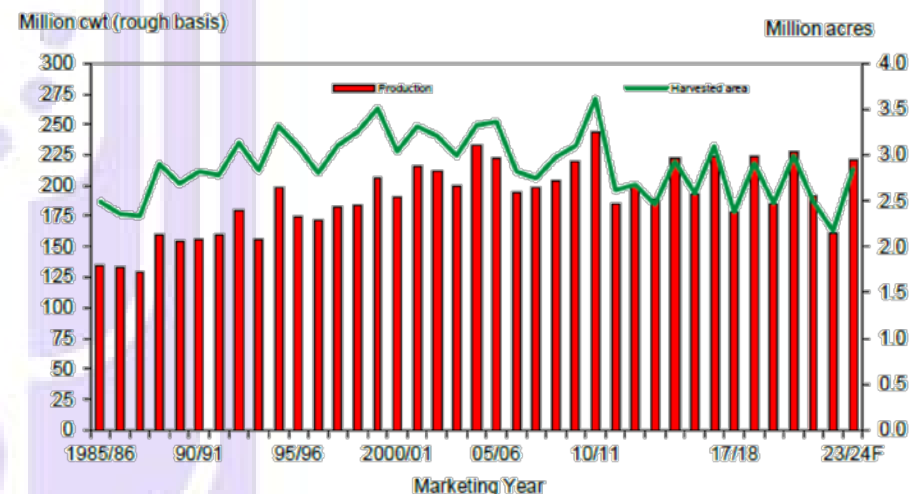
16 October 2023 USA ERS – The 2023/24 U.S. rice production forecast is lowered 0.4 mcwt to 220.5 million, still up 60.1 mcwt from a year earlier and the largest since 2020/21. This month's slight downward revision is due to a 14-pound per acre reduction in the yield to 7,737 pounds, up 5% from a year earlier and the highest on record. Yield forecasts were lowered slightly in California and Missouri but raised slightly in Mississippi.

The revised yield forecast is reported by U.S. Department of Agriculture's National Agricultural Statistics Service (NASS) in its October 12 Crop Production report. The NASS-reported yield is based on a survey of growers conducted September 29–October 5 that asked operators what they estimated their final yields would be based on crop conditions as of October 1st.

By class, U.S. 2023/24 long-grain production is lowered 0.3 mcwt to 152.6 million, 19% larger than a year earlier and the largest since 2020/21. The bulk of the expected annual increase in long-grain production is the result of area expansion, primarily in the Delta. The expansion was due to high rice prices at planting time,

some decline in input prices from the year-earlier extremely high levels, and generally favorable weather conditions early in the season in much of the South.

Combined medium- and short-grain production is forecast at 67.9 mcwt, down 0.1 million from the previous forecast but 111% larger than a year earlier and the largest since 2011/12. The substantial increase in U.S. medium- and short-grain production in 2023/24 is primarily due to a strong area recovery in California—where more than two-thirds of the U.S. medium- and short-grain crop is typically produced—from 2 years of severe drought. Medium- and short-grain plantings also increased in the South in 2023/24, with Arkansas reporting the largest expansion.



Notes: Cwt = Hundredweight. 2023/24 are forecasts; F = forecast.

Source: USDA, Economic Research Service, *Rice Yearbook dataset*; 1985/86–2020/21; USDA, World Agricultural Outlook Board, *World Agricultural Supply and Demand Estimates*, 2021/22–2023/24.

Total harvested area remains projected at 2.85 million acres, up 31% from a year earlier. Harvested area is projected to be larger than a year earlier in all reported States except Texas, where water restrictions reduced plantings on the west side of Houston while excessive rainfall reduced plantings by a smaller amount on the east side. Arkansas reported the largest increase in harvested area in 2023/24, followed by California. Yields are projected to be higher than a year earlier in all six reported States except Missouri, where the average yield is expected to decline slightly. Texas is projected to achieve a record yield. Production in 2023/24 is projected higher than a year earlier in all reported States.

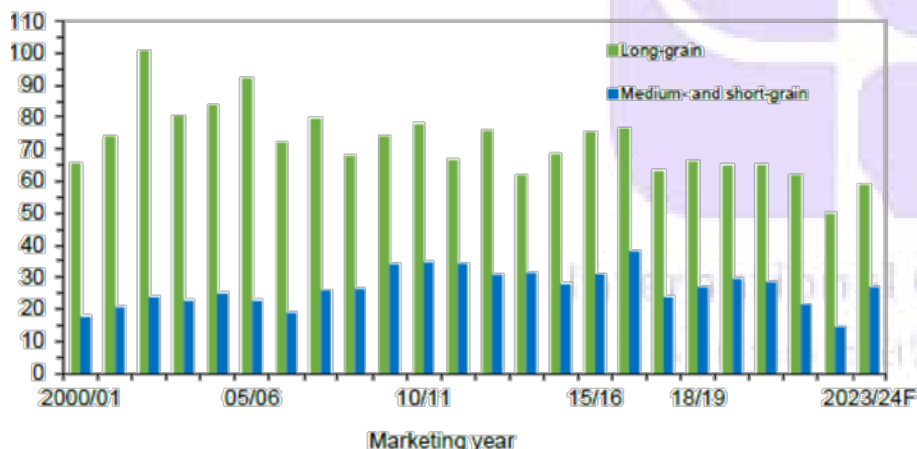
Harvest of the main crop on the Gulf Coast is almost complete and harvest is nearly complete in much of the Delta. For the week ending October 8, the harvest pace was well ahead of normal in all southern rice producing States except for Texas, which was slightly behind its normal harvest pace. Early harvest typically supports higher yields. In contrast, for the week ending October 8th, the harvest pace in California was behind both last year and the State's 5-year average (Table D).

Table D. Weekly crop progress				
State	Week ending October 8, 2023	Previous week	A year earlier	State and U.S. 2018–2022 average
Rice harvested				
	Percent			
Arkansas	89	81	88	83
California	30	20	34	46
Louisiana	99	98	97	98
Mississippi	99	96	85	84
Missouri	79	65	75	73
Texas	95	94	99	99
U.S. total	82	75	79	79
N/A = Not available. These six States account for almost 100 percent of U.S. rice acreage. Source: USDA, National Agricultural Statistics Service; USDA, Economic Research Service.				

Both the 2023/24 carry-in estimate and import forecast are unchanged this month. Total rice supplies are projected to increase 21% in 2023/24 to 289.8 mcwt, the highest since 2020/21. Medium- and short-grain is projected to account for almost 58% of the increase in total supplies.

➤ **US 2023/24 Rice Exports Forecast To Rise 34%**

U.S. exports of medium- and short-grain rice are projected to nearly double in 2023/24 1/



Cwt = Hundredweight. 2023/24 are forecasts. 1/ Milled-, brown-, and rough-rice exports on a rough-rice basis. F = forecast.
Source: USDA, Economic Research Service, *Rice Yearbook* dataset; 2000/01–2020/21; USDA, World Agricultural Outlook Board, *World Agricultural Supply and Demand Estimates*, 2021/22–2023/24.

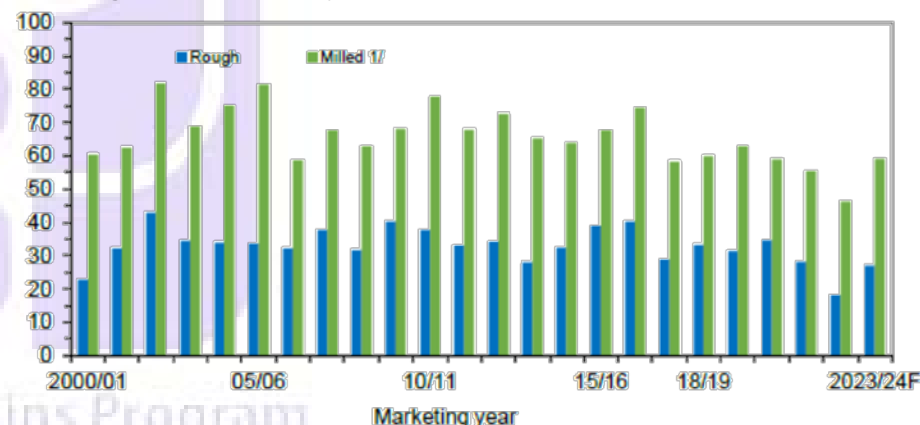
16 October 2023 USA ERS – U.S. 2023/24 rice exports are forecast at 86.0 mcwt, up 1.0 million from the previous forecast and almost 22 mcwt above a year earlier. Long-grain accounts for all of the month-to-month upward revision. The year-to-year all-rice export increase is based on larger supplies and expectations of more competitive prices.

Long-grain exports are projected at 59.0 mcwt, up 1.0 million from the previous forecast and more than 18% larger than a year earlier. The upward revision is based on stronger-than-expected sales through late September of rough-rice to Mexico and Central America. In 2023/24, the United States is expected to expand sales to Latin America—the largest market for U.S. long-grain rice—and also to increase sales to the Middle East. The Middle East is the second-largest export market for U.S. long-grain rice, with Iraq currently the largest U.S. market in the region.

Combined medium- and short-grain exports remain forecast at 27.0 mcwt, 12.5 mcwt above the 2022/23 unusually low level. Expectations of expanded sales are based on a crop recovery in California after 2 consecutive years of drought and much lower U.S. trading prices.

Recovery of sales to Japan, South Korea, and Taiwan is expected to account for most of the increase in medium- and short-grain exports. Northeast Asia accounts for the bulk of U.S. medium- and short-grain exports. U.S. sales to the Middle East—mostly to Jordan—are expected to increase as well.

U.S. rough-rice exports projected to increase 49% in 2023/24



Cwt = Hundredweight. 2023/24 are forecasts. 1/ Milled- and brown-rice exports on a rough-rice basis. F = forecast.
Source: USDA, Economic Research Service, *Rice Yearbook* dataset; 2000/01–2020/21; USDA, World Agricultural Outlook Board, *World Agricultural Supply and Demand Estimates*, 2021/22–2023/24.

Milled-rice exports are projected to increase almost 13.0 mcwt to 59.0 million in 2023/24, with the three Northeast Asian countries accounting for the largest share of the expansion. Sales to the Middle East—mostly Iraq—and Haiti are expected to increase as well. Rough-rice exports are projected at 27.0 mcwt, up 1.0 million from

the previous forecast and 49% larger than a year earlier. The substantial year-to-year increase is based on the expectation that the United States will regain some of its market in Mexico—the largest market for U.S. rough-rice—due to more competitive prices and larger available supplies. In 2022/23, the United States lost much of its Mexican market to South American suppliers, mostly Brazil, due to their more competitive prices and partly due to temporarily lower tariff rates in Mexico. Rough-rice sales to other Latin American markets are expected to increase in 2023/24. Total domestic and residual use in 2023/24 remains forecast at a record 162.0 mcwt, up 11% from a year earlier. The increase is based on larger supplies and an expected increase in post-harvest losses associated with a larger crop. Long-grain domestic and residual use of 124.0 mcwt is also projected record high. Combined medium- and short-grain domestic and residual use of 38.0 mcwt is projected to be the highest since 2019/20. U.S. ending stocks in 2023/24 are forecast at 41.8 mcwt, down 3% from the previous forecast but 38% above a year earlier and the largest since 2020/21. Long-grain accounts for almost all of the downward revision. Season-average farm-price forecasts for 2023/24 are unchanged from a month earlier. For all categories of U.S. rice, farm prices in 2023/24 are projected to be below a year earlier, primarily a result of a substantial increase in supplies. The all-rice SAFP remains forecast at \$16.80 per cwt, 13% below the year-earlier record-high.

➤ CBOT Rough Rice Futures – Daily Nearby



Source: <https://www.barchart.com/futures/quotes/MWU22/interactive-chart>

CME November 2023 Rough Rice Futures settled on Friday at \$15.83½/cwt.

U.S. Rice Supply and Use 1/
(Rough Equivalent of Rough and Milled Rice)

TOTAL RICE	2021/22	2022/23 Est.	2023/24 Proj. Sep	2023/24 Proj. Oct
	<i>Million Acres</i>			
Area Planted	2.53	2.22	2.90	2.90
Area Harvested	2.49	2.17	2.85	2.85
	<i>Pounds</i>			
Yield per Harvested Acre	7,709	7,383	7,751	7,737
	<i>Million Hundredweight</i>			
Beginning Stocks 2/	43.7	39.7	30.3	30.3
Production	191.6	160.4	220.9	220.5
Imports	37.8	39.9	39.0	39.0
Supply, Total	273.0	240.0	290.2	289.8
Domestic & Residual 3/	149.8	145.4	162.0	162.0
Exports, Total 4/	83.5	64.3	85.0	86.0
Rough	28.2	18.1	26.0	27.0
Milled (rough equiv.)	55.3	46.2	59.0	59.0
Use, Total	233.3	209.7	247.0	248.0
Ending Stocks	39.7	30.3	43.2	41.8
Avg. Milling Yield (%) 5/	70.00	70.00	70.00	70.00
Avg. Farm Price (\$/cwt) 6/	16.10	19.30	16.80	16.80
LONG-GRAIN RICE				
Harvested Acres (mil.)	1.94	1.77		
Yield (pounds/acre)	7,471	7,224		
Beginning Stocks	29.7	24.6	21.2	21.2
Imports	30.7	31.9	32.0	32.0
Production	144.6	128.2	152.9	152.6
Supply, Total 7/	205.0	184.7	206.1	205.8
Domestic & Residual 3/	118.3	113.7	124.0	124.0
Exports 8/	62.0	49.8	58.0	59.0
Use, Total	180.3	163.5	182.0	183.0
Ending Stocks	24.6	21.2	24.1	22.8
Avg. Farm Price (\$/cwt) 6/	13.60	16.80	15.00	15.00
MEDIUM & SHORT-GRAIN RICE				
Harvested Acres (mil.)	0.55	0.40		
Yield (pounds/acre)	8,549	8,094		
Beginning Stocks	11.5	13.0	6.8	6.8
Imports	7.1	8.0	7.0	7.0
Production	47.0	32.2	68.0	67.9
Supply, Total 7/	66.0	53.0	81.8	81.7
Domestic & Residual 3/	31.5	31.7	38.0	38.0
Exports 8/	21.5	14.5	27.0	27.0
Use, Total	53.0	46.2	65.0	65.0
Ending Stocks	13.0	6.8	16.8	16.7
Avg. Farm Price (\$/cwt) 1/ 6/ 9/	26.40	29.40	22.60	22.60
California 10/	31.90	36.00	26.00	26.00
Other States 1/	13.90	18.20	15.50	15.50

Note: Totals may not add due to rounding. 1/ Marketing year beginning August 1. 2/ Includes the following quantities of broken kernel rice (type undetermined) not included in estimates of ending stocks by type (in mil. cwt): 2019/20-1.0; 2020/21-2.5; 2021/22-3.0. 3/ Residual includes unreported use, processing losses, and estimating errors. Use by type may not add to total rice use because of the difference in broken between beginning and ending stocks. 4/ Includes rough rice and milled rice exports. Milled rice exports are converted to an equivalent rough basis. 5/ Expressed as a percent, i.e., the total quantity of whole kernel and broken rice produced divided by the quantity of rough rice milled. 6/ Marketing-year weighted average price received by farmers. 7/ Includes imports. 8/ Exports by type of rice are estimated. 9/ The California medium short-grain season-average farm price (SAFP) largely reflects rice that is marketed through price pools in California. The pool price is not final until all the rice in the pool is marketed for the crop year. Therefore, SAFP forecasts based on the average of NASS monthly prices and the final price may differ. 10/ Marketing year beginning October 1. * For June-Planted acres reported in March 31, 2023, "Prospective Plantings." Harvested acres are estimated using long-run harvested-to-planted ratios by rice class. For July-Planted and harvested area are reported in June 30, 2023 "Acreage" report. Projected yield is based on by-class trend analysis and planted area.

COARSE GRAINS

World and U.S. Supply and Use for Grains 1/
Million Metric Tons

World		Output	Total Supply	Trade 2/	Total Use 3/	Ending Stocks
Total Grains 4/	2021/22	2798.92	3593.26	513.56	2800.00	793.26
	2022/23 (Est.)	2747.61	3540.87	497.00	2773.71	767.16
	2023/24 (Proj.)	2801.92	3569.49	494.93	2803.72	765.77
	Sep Oct	2796.12	3563.28	494.14	2799.47	763.81
Wheat	2021/22	781.01	1065.10	202.56	792.42	272.68
	2022/23 (Est.)	789.50	1062.17	221.60	794.62	267.55
	2023/24 (Proj.)	787.34	1054.47	207.34	795.86	258.61
	Sep Oct	783.43	1050.98	206.26	792.86	258.13
Coarse Grains 5/	2021/22	1503.56	1826.52	253.89	1488.58	337.94
	2022/23 (Est.)	1444.43	1782.38	220.69	1455.63	326.74
	2023/24 (Proj.)	1496.50	1824.70	235.44	1485.13	339.56
	Sep Oct	1494.55	1821.30	235.55	1483.08	338.22
Rice, milled	2021/22	514.35	701.64	56.90	519.00	182.64
	2022/23 (Est.)	513.68	696.32	54.70	523.46	172.86
	2023/24 (Proj.)	518.08	690.32	52.15	522.73	167.60
	Sep Oct	518.14	691.00	52.33	523.53	167.47

12 October 2023 USDA WASDE – Global coarse grain production for 2023/24 was forecast by USDA to be down 2.0 mmts to 1,494.6 million. The 2023/24 non-US coarse grain outlook is for slightly higher production, larger trade, and greater stocks relative to last month.

Non-US corn production is higher on increases for Argentina, Moldova, the EU, and Paraguay. Argentina corn production is raised reflecting higher expected area. The EU is higher on an increase for France.

Non-US barley production is cut based on reductions for Australia and Kazakhstan that are partly offset by an increase for the EU.

Global Beginning Stocks Tighten Slightly, While Foreign Supplies Increase

16 October 2023 USDA ERS – World coarse grain beginning stocks for 2023/24 are forecast down 1.5 mmts this month. While U.S. stocks decline, non-US coarse grain beginning stocks are up 0.8 mmts. Corn non-US beginning stocks are projected 1.0 mmts higher, barley beginning stocks are 0.1 mmts higher, while sorghum foreign-beginning stocks are projected 0.2 mmts lower. The largest increase for beginning stocks is for Ukraine, where 2022/23 corn exports are reduced (see discussion below). Although reduced coarse grain production and beginning stocks leave world coarse grain supplies for 2023/24 projected down this month, supplies are still the second highest on record after an abundant 2021/22 harvest.

World Coarse Grain Use Is Slightly Lower

16 October 2023 USDA ERS – Global coarse grain disappearance in 2023/24 is projected lower, down 2.1 mmts this month. Non-US use projections for many countries are revised this month, with non-US use going down 1.4 mmts. The largest change is for Russia, where higher barley exports put a damper on projected

domestic use of this crop, down 1.1 mmts to 14.1 million. Another reduction in use is projected for China's sorghum crop, down 0.6 mmts because of lower imports. Virtually offsetting changes are made for Argentine coarse grain, with higher corn use, up 0.5 mmts and lower sorghum, down 0.4 million. The changes follow a revision of Argentine output (for corn and sorghum) and exports (sorghum). Other smaller changes are made for several countries.

U.S. Feed Grain and Corn Supply and Use 1/

	2021/22	2022/23 Est.	2023/24 Proj. Sep	2023/24 Proj. Oct
FEED GRAINS				
<i>Million Acres</i>				
Area Planted	105.8	100.5	107.8	107.7
Area Harvested	94.4	87.0	96.6	96.7
<i>Metric Tons</i>				
Yield per Harvested Acre	4.21	4.11	4.13	4.10
<i>Million Metric Tons</i>				
Beginning Stocks	34.0	37.6	39.2	37.0
Production	397.5	357.8	398.7	396.6
Imports	2.3	2.9	2.3	2.4
Supply, Total	433.8	398.3	440.3	436.0
Feed and Residual	148.7	144.1	146.6	146.0
Food, Seed & Industrial	177.0	172.2	175.9	175.9
Domestic, Total	325.7	316.3	322.4	321.8
Exports	70.5	45.0	58.6	57.8
Use, Total	396.2	361.3	381.1	379.6
Ending Stocks	37.6	37.0	59.2	56.4

Global Coarse Grain Trade for 2022/23 Is Up, U.S. Exports Are Projected Higher

16 October 2023 USDA ERS – Projected 2022/23 world coarse grain trade for the October-September international trade year is projected slightly higher, up 0.8 mmts, with multiple partly offsetting changes across countries and commodities.

The international coarse grain trade year (October-September for 2022/23) ended September 30, but the publication of trade data often lags with some countries (like Brazil), reporting relatively quickly and others (like the European Union) reporting later. However, for many countries, 2022/23 trade data are mostly published.

The pace of shipments to date indicates a number of offsetting changes that, in aggregate, keep global corn trade unchanged at 180.6 mmts, the lowest level since 2019.

Global Coarse Grain Trade Prospects for 2023/24 Are Mostly Offsetting

16 October 2023 USDA ERS – Projected 2023/24 world coarse grain trade for the October-September international trade year is projected slightly lower, down 0.2 mmts with lower sorghum export prospects but slightly higher projections for corn and barley that are partly offsetting.

Projected Global Ending Stocks Down, Non-US Stocks Are Projected Higher

World 2023/24 coarse grain ending stocks are forecast down 1.3 mmts, with the reduction in supplies being larger than the decrease in forecast use.

While U.S. stocks decline, non-US stocks are expected to be 1.5 mmts higher than a month before. Non-US corn ending stocks are projected up 1.2 mmts, offsetting more than half of the U.S. decrease. Foreign barley stocks are projected up 0.3 mmts. The largest change in non-US stocks is for Ukraine, where projected corn ending stocks are up 1.0 mmts to reach 5.4 million. Only once before have Ukraine's corn stocks been estimated higher, when in 2021/22, the country could not export its grain because of all the disruptions associated with the Russian military invasion. This level of stocks signals an excess amount of grain that is stored in the country and that has the potential to trigger further domestic price declines, threatening next year's planting. Corn stocks for Moldova are projected 0.2 mmts higher (higher projected production). Barley stocks are projected higher for the European Union and Saudi Arabia, 0.2 mmts each, reflecting higher supplies in both countries.

Table A1 - World and U.S. coarse grain production at a glance (2023/24), October 2023

Region or country	Production	Change from previous month ¹	YoY Change ²	Comments
<i>Million tons</i>				
Coarse grain production (total)				
World	1,494.6	-2.0	+50.1	
Foreign	1097.7	+0.2	+11.3	Partly offsetting changes are made for a number of countries and commodities.
United States	396.9	-2.2	+38.8	See section on U.S. domestic output.
World production of coarse grains by type of grain				
CORN				
World	1,214.5	+0.2	+59.5	
Foreign	831.8	+2.0	+25.2	Higher corn output is projected in Argentina, the European Union (France), Moldova, and Paraguay. See table A2.
United States	382.7	-1.8	+34.3	See section on U.S. domestic output.
BARLEY				
World	141.8	-0.1	-9.9	
Foreign	137.7	-0.2	-10.1	Lower projected output in Australia and Kazakhstan is partly offset by increases in the European Union (Poland and Lithuania), Ukraine, and Moldova. See table A2.
United States	4.0	+0.1	+0.2	See section on U.S. domestic output.
SORGHUM				
World	61.0	-1.3	+6.2	
Foreign	51.9	-0.8	+1.8	Lower sorghum production in Argentina. See table A2.
United States	9.1	-0.5	+4.4	See section on U.S. domestic output.
OATS				
World	20.4	-0.1	-4.8	
Foreign	19.6	-0.2	-4.8	Lower Canadian output is partly offset by an increase for the European Union (Poland and Lithuania). See table A2.
United States	0.8	+0.1	Fractional	See section on U.S. domestic output.
RYE				
World	11.7	+0.1	-0.5	
Foreign	11.4	+0.2	-0.5	Higher output in the European Union (Poland). See table A2.
United States	0.3	-0.1	Fractional	See section on U.S. domestic output.
MIXED GRAIN				
World/Foreign	13.4	-0.6	-0.5	Lower production in the European Union (Poland and France).

¹Change from previous month. ²YoY: year-over-year changes. Totals may not add due to rounding.
For changes and notes by country, see table A2.

Source: USDA, Foreign Agricultural Service, Production, Supply and Distribution database.

Table A2 - Coarse grain foreign production by country at a glance, October 2023

Type of crop	Crop year	Production	Change in forecast ¹	YoY ² change	Comments
<i>Million tons</i>					
Coarse grain production by country and by type of grain (2023/24)					
ARGENTINA					
↑ Corn	Mar-Feb	55.0	+1.0	+21.0	Corn planting has commenced. Corn area estimates published by the local statistical agencies are higher than expected, up 0.1 million hectares.
↓ Sorghum	Mar-Feb	2.5	-0.8	+0.9	Multi-year data revision is based on Ministry of Agriculture data for 2000/21-2022/23; for 2023/24 sorghum output is projected in line with the revisions.
PARAGUAY					
↑ Corn	Mar-Feb	4.9	0.2	-0.1	According to data from the Chamber of Exporters and Traders of Cereals and Oilseeds (Capeco), Paraguay is expected to produce 5.0 million tons of corn in 2022/23, with higher expected yields but lower area. A projection for 2023/24 is adjusted in line with this change.
EUROPEAN UNION					
↑ Corn	Oct-Sep	59.7	+0.3	+7.5	Harvest results indicate higher production in France, as reported by Agrimer, French statistical agency.
↑ Barley	Jul-Jun	48.7	+0.2	-3.0	Barley prospects are revised up due to higher production in Poland and Lithuania.
↑ Oats	Jul-Jun	6.8	+0.1	-0.8	Slightly higher output in Poland and Lithuania.
↑ Rye	Jul-Jun	7.6	+0.2	Fractional	Improved rye production estimate for Poland.
↓ Mixed grain	Jul-Jun	12.9	-0.6	-0.5	Mixed grain area in Poland and France is projected lower.
AUSTRALIA					
↓ Barley	Nov-Oct	9.7	-0.3	-4.4	Lower yields and production due to the dryness and declining crop health in September 2023, the driest September on record.
CANADA					
↓ Oats	Aug-Jul	2.5	-0.3	-2.7	Production is revised down in line with an update by Statistics Canada, and is now projected at less than half the size compared to last year.
MOLDOVA					
↑ Corn	Jul-Jun	2.0	+0.5	+1.2	A 3-year-area revision in line with the State Statistics of Moldova data.
UKRAINE					
↑ Barley	Jul-Jun	5.8	+0.1	-0.3	The barley harvest is complete, yields turned out slightly higher than expected.
KAZAKHSTAN					
↓ Barley	Jul-Jun	2.7	-0.3	-0.6	Lower yields and production are projected due to dry growing season and heavy rainfall during the harvest.
Coarse grain production by country and by type of grain (2022/23)					
ARGENTINA					
↓ Sorghum	Mar-Feb	1.6	-1.3	-1.3	A substantial 45-percent downward production revision is based on the area and yield data published by the Ministry of Agriculture.
MOLDOVA					
↓ Corn	Jul-Jun	0.8	-0.4	-2.0	Based on official statistics, with higher corn area but much lower yield.

¹Change from previous month. Smaller changes are made for several countries, see maps A and B for changes in corn and barley.

²YoY: year-over-year changes.

Source: USDA, Foreign Agricultural Service, Production, Supply and Distribution database.

TRADE CHANGES IN 2022/23 (1,000 MT) – changes based on trade data

Country	Commodity	Attribute	Previous	Current	Change
Argentina	Corn	Exports	25,000	25,500	500
Australia	Barley	Exports	7,500	7,000	-500
Bangladesh	Corn	Imports	1,900	1,400	-500
Brazil	Corn	Exports	54,000	53,700	-300
China	Barley	Imports	8,000	8,200	200
Egypt	Corn	Imports	5,200	6,000	800
European Union	Corn	Exports	3,800	4,000	200
		Imports	24,500	24,000	-500
Iran	Barley	Imports	2,200	1,700	-500
Iran	Corn	Imports	8,900	7,200	-1,700
Iraq	Corn	Imports	600	800	200
Israel	Corn	Imports	1,600	1,400	-200
Libya	Barley	Imports	1,000	1,450	450
Mexico	Corn	Imports	17,500	18,000	500
Morocco	Barley	Imports	500	700	200
Russia	Barley	Exports	5,000	5,400	400
Ukraine	Barley	Exports	2,500	3,100	600
United States	Corn	Exports	42,500	43,000	500
Saudi Arabia	Barley	Imports	4,100	4,900	800

TRADE CHANGES IN 2023/24 (1,000 MT)

Country	Commodity	Attribute	Previous	Current	Change	Reason
Argentina	Sorghum	Exports	1,800	1,400	-400	Smaller crop
Argentina	Corn	Exports	33,500	34,000	500	Lower U.S. trade
Australia	Barley	Exports	5,500	5,200	-300	Smaller crop
Brazil	Corn	Imports	1,500	1,800	300	Larger Paraguay supplies
China	Sorghum	Imports	8,500	7,900	-600	Lower Argentina trade
Paraguay	Corn	Exports	3,000	3,300	300	Larger crop
Russia	Barley	Exports	4,900	5,300	400	Competitive export prices
United States	Corn	Exports	43,000	42,500	-500	Smaller crop
United States	Sorghum	Exports	6,500	6,300	-200	Smaller crop

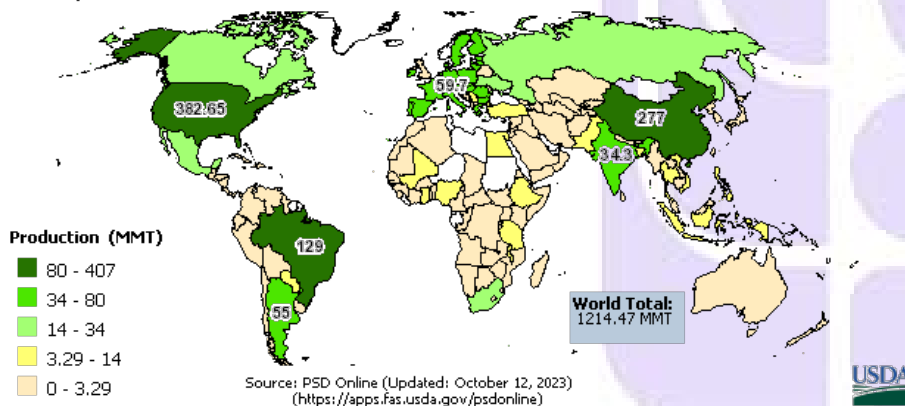
CORN

➤ World Corn Supply & Demand Outlook

Corn World as of October 2023							
Attribute	23/24 Oct'23	Change	23/24 Sep'23	22/23	21/22	20/21	19/20
Area Harvested (1000 HA)	204,736	+110(+.05%)	204,626	200,865	207,295	199,071	194,349
Beginning Stocks (1000 MT)	298,127	-1342(-.45%)	299,469	310,540	292,882	307,384	322,711
Production (1000 MT)	1,214,473	+185(+.02%)	1,214,288	1,154,992	1,218,712	1,128,968	1,123,118
MY Imports (1000 MT)	186,918	-200(-.11%)	187,118	174,180	184,439	184,751	167,687
TY Imports (1000 MT)	188,053	+300(+.16%)	187,753	174,431	186,605	179,776	169,683
TY Imp. from U.S. (1000 MT)	0	-	0	0	62,860	68,323	47,064
Total Supply (1000 MT)	1,699,518	-1357(-.08%)	1,700,875	1,639,712	1,696,033	1,621,103	1,613,516
MY Exports (1000 MT)	196,254	+65(+.03%)	196,189	181,006	206,593	182,726	172,394
TY Exports (1000 MT)	194,367	+300(+.15%)	194,067	180,620	193,685	184,081	175,878
Feed and Residual (1000 MT)	756,267	+165(+.02%)	756,102	731,754	745,239	723,964	716,942
FSI Consumption (1000 MT)	434,599	-	434,599	428,825	433,661	421,531	416,796
Total Consumption (1000 MT)	1,190,866	+165(+.01%)	1,190,701	1,160,579	1,178,900	1,145,495	1,133,738
Ending Stocks (1000 MT)	312,398	-1587(-.51%)	313,985	298,127	310,540	292,882	307,384
Total Distribution (1000 MT)	1,699,518	-1357(-.08%)	1,700,875	1,639,712	1,696,033	1,621,103	1,613,516
Yield (MT/HA)	5.93	-	5.93	5.75	5.88	5.67	5.78

Source: USDA PS&D

2023/2024 Corn Production



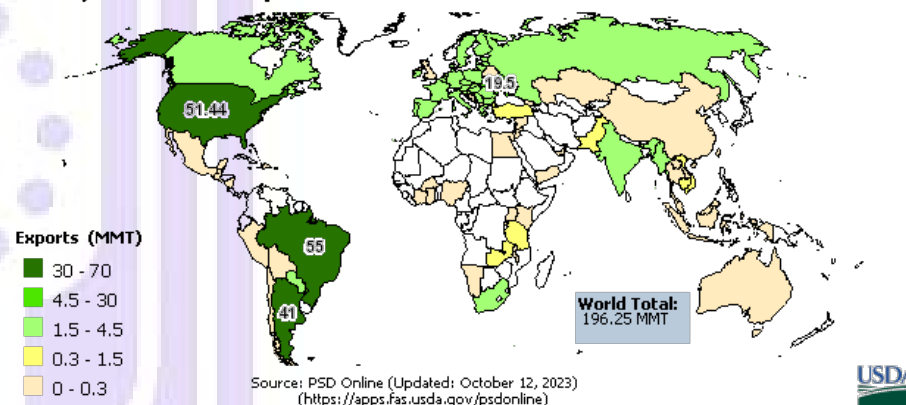
Source: USDA FAS <https://ipad.fas.usda.gov/ogamaps/map.aspx?cmdty=Corn&attribute=Production>

16 October 2023 USDA ERS – Non-US corn production is higher on increases for Argentina, Moldova, the EU, and Paraguay. Argentina corn production is raised reflecting higher expected area. The EU is higher on an increase for France.

The record-high corn trade U.S. corn exports for the October-September trade year of 2023/24 (following record-high projected corn output and ensuing lower prices) is projected 0.3 mmts higher. With higher projected corn supplies this month, **Argentina** and **Paraguay** are projected to ship more corn. **Paraguay** is expected to sell more corn over the border to the feed-deficit Southern part of **Brazil**. Both Paraguayan exports and Brazilian imports are up 0.3 mmts this month.

With lower corn supplies and higher expectations for **Argentine** exports, **U.S.** corn export prospects for 2023/24 are projected lower this month, down 0.5 mmts to 52.5 million (for the September-August local marketing year, with exports down 25 mbus to 2,025 million).

2023/2024 Corn Exports

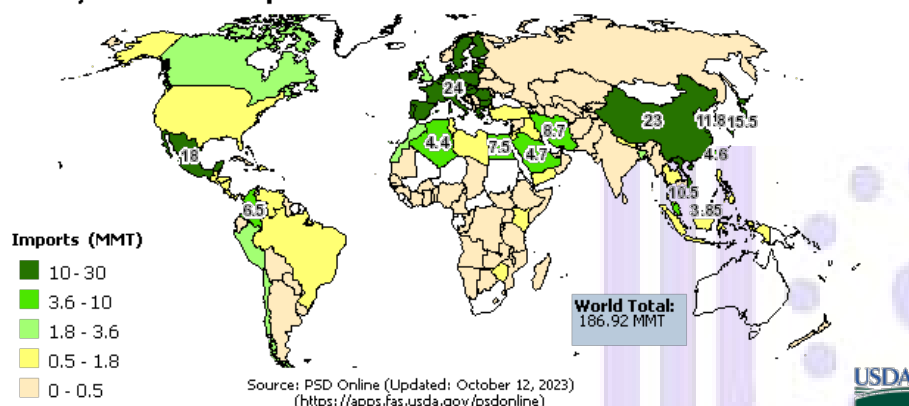


Source: USDA FAS <https://ipad.fas.usda.gov/ogamaps/map.aspx?cmdty=Corn&attribute=Production>

U.S. corn exports for the October-September trade year of 2022/23 were projected 0.5 mmts higher to reach 43.0 mmts, but are still the lowest level of exports since the disastrous year of 2012/13 when widespread drought curtailed the U.S. corn harvest and exports. U.S. census data for October 2022 through August 2023 reached 39.6 mmts and grain inspections for September reached 3.0 million. In most months, Census corn exports exceed inspections, partly because not all exports require inspection. The September pace of corn exports was higher than previously expected, partly because shipments to Mexico and Japan were strong, even though published price quotes for some competitors were at a discount.

The largest reduction for corn 2022/23 exports this month is for Ukraine, down 1.0 mmts to 27.0 million, based on the trade data from Ukraine's Ministry of Agriculture. Corn exports from Brazil are projected 0.3 mmts lower to 53.7 million (based on the final data), still a record by far compared to previous years (although Brazilian corn exports for 2023/24 are projected even higher, at 59.0 mmts). For Argentina, corn exports are projected 0.5 mmts higher to reach 25.5 million. Yet, this number is the country's lowest volume of corn exports in 5 years, in the wake of a devastating drought that cut corn output by more than 30% compared to the year before. The increase in exports comes as Argentina has shipped more corn than expected to South American countries like Chile, Venezuela, and Uruguay (among others).

2023/2024 Corn Imports



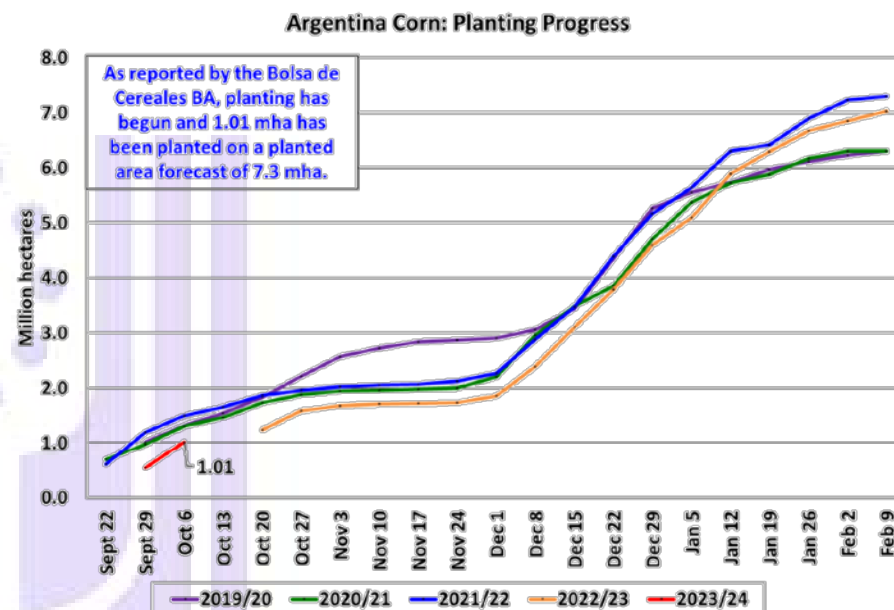
Source: USDA FAS <https://ipad.fas.usda.gov/ogamaps/map.aspx?comdty=Corn&attribute=Production>

Corn imports for 2022/23 trade year for Iran are down 1.7 mmts to 7.2 million. In 2022/23, Iran had a decent—the highest in 3 years—grain harvest that limited its demand for importing grains. As a result, Iran reduced corn shipments from Brazil—which is re-focusing its trade in the direction of China—as well as corn imports from Russia. Corn imports for the European Union and Bangladesh are both revised 0.5 mmts lower to 24.0 and 1.4 mmts, respectively. The pace of corn imports by the European Union ended up being lower, mainly because Ukraine's corn exports to Europe were disrupted after Russia closed the grain export corridor. This closure effectively blocked Ukrainian Black Sea ports and has been brazenly destroying Ukrainian grain storage and Danube port facilities. Another factor is the emergence of restrictions on imports from Ukraine by several European countries that has been stifling over-the-border grain trade even further. Another big European Union corn supplier, Brazil, exported much less to Europe in 2022/23 compared to a year before, in part because—as mentioned above—Brazil is restructuring its corn trade flows by shifting part of its corn exports to China. Corn imports by Bangladesh are reduced because of the weaker export pace from India.

The largest upward changes for corn imports are for Egypt and Mexico, which are increased 0.8 and 0.5 mmts, respectively. A revision of corn imports by Egypt is based on recent shipments and is expected to reach 6.0 mmts. Even with this increase, the amount of imported corn is at the lowest level in 10 years. Egypt continues to be affected by macroeconomic problems, including a shortage of hard currency that slows down imports. Mexican corn imports are expected to reach 18.0 mmts, mainly because of the recent record appreciation of the Mexican peso. There are smaller changes for several other countries.

Non-US corn ending stocks are higher, mostly reflecting increases for Ukraine and Moldova. Global corn stocks, at 312.4 mmts, are down 1.6 million.

Argentina Corn: Production Up 62 Percent from Last Year



16 October 2023 USDA FAS – Argentina corn production for marketing year 2023/24 is forecast at 55.0 mmts, up 2% from last month, and up 62% from last year. Corn yield is forecast at 7.75 tons per hectare, up slightly from last month, and up 53% from last year. Harvested area is forecast at 7.1 million hectares, up 1% from last month, and 6% from last year.

Harvested area is up month-to-month because of a new planted area forecast from the Bolsa de Cereales Buenos Aires. USDA assumes normal abandonment, which is around 3% for corn in Argentina. Early-planted corn began at the end of September and will continue until early December, when late-planted corn will begin.

(For more information, please contact Katie.McGaughey@usda.gov.)

Corn Export Prices (FOB, US\$/mt) as of 18th October 2023

		TW	LW	LY	%Y/Y
US 3YC Gulf Nov	226	227	354	-36	
Argentina, Up River	Oct	250	253	310	-19
Brazil, Paranagua	Nov	224	219	295	-24
Ukraine			267		

Source: International Grains Council

US corn futures edged higher by mid-week, with the nearby Dec contract gaining by 1%. Market direction was initially influenced by the Oct WASDE, as bullishly

interpreted production and stocks data pulled futures to a higher close on Thursday. Advances were subsequently partially undone on expanding seasonal harvest pressure and tepid export demand.

With latest producer survey and field data showing slightly poorer than expected yields, including in Iowa and Nebraska, USDA's 2023/24 production forecast was lowered by 1.8 mmts m/m, to 382.7 mmts (+10% y/y). Due to a downgraded feed/residual figure, forecast consumption was reduced by 0.6 mmts, to 312.8 mmts (+2%), while the export outlook was cut by 0.6 mmts, to 51.4 mmts (+22%) on tighter supplies and slow early-season demand. Incorporating a smaller carry-in, end-season stocks were pegged at 53.6 mmts, down by 2.8 mmts m/m, but still potentially 55% higher y/y. In the week ending the 15th of October, threshing advanced by 11 percentage points (ppts), reaching 45% complete, ahead of the previous year's 43% and the five-year average (42%).

Despite difficult conditions in some states, planting of Brazil's first (full-season) crop advanced by 3ppts w/w, to 30% done, fractionally slower y/y. Due to low water levels along major waterways in the Amazon basin, some grain (and oilseed) shipments are reportedly being redirected from Northern Arc ports to facilities further south, predominantly to Santos, which has a rail link to Rondonopolis (Mato Grosso). Although the situation is not yet considered severe, traders remain mindful of the potential for El- Niño related dryness this year.

Plantings in Argentina reached 16% complete, in line with one year earlier, up 4ppts w/w. Market activity remained generally slow, as local growers held back sales in the run up to the general election and broader currency market volatility.

Activity was quiet in Ukraine, but with some traders reporting some offers for new crop maize at the country's deep sea ports, priced at around US\$160 fob. .

16 October 2023 USDA FAS – Since the September WASDE, U.S. and Brazilian bids have moderated, while Argentine bids have soared.

As of October 10th, U.S. bids were \$229/ton, down \$6 from last month. Early-season demand for U.S. corn remains soft likely due to poor Mississippi River system logistics and competition from other exporters including Brazil. Brazilian bids were \$221/ton, down \$3 from last month. Record exportable supplies and competition with U.S. new crop supplies are supporting downward pressure on bids.

Argentine bids were \$258/ton, up \$24 from last month. Supplies from this season's poor harvest have become more limited, supporting sharply higher prices.

Ukrainian bids have not been published since July 21st.

➤ USDA – U.S. Corn Supply & Demand Outlook

Corn United States as of October 2023							
Attribute	23/24 Oct'23	Change	23/24 Sep'23	22/23	21/22	20/21	19/20
Area Harvested (1000 HA)	35,247	-	35,247	32,017	34,527	33,311	32,916
Beginning Stocks (1000 MT)	34,579	-2294(-6.22%)	36,873	34,975	31,358	48,757	56,410
Production (1000 MT)	382,654	-1765(-.46%)	384,419	348,369	382,893	358,447	345,962
MY Imports (1000 MT)	635	-	635	983	615	616	1,064
TY Imports (1000 MT)	600	-	600	1,000	607	629	959
TY Imp. from U.S. (1000 MT)	0	-	0	0	0	0	0
Total Supply (1000 MT)	417,868	-4059(-.96%)	421,927	384,327	414,866	407,820	403,436
MY Exports (1000 MT)	51,437	-635(-1.22%)	52,072	42,195	62,802	69,775	45,175
TY Exports (1000 MT)	52,500	-500(-.94%)	53,000	43,000	62,978	68,293	47,035
Feed and Residual (1000 MT)	142,247	-635(-.44%)	142,882	140,940	145,457	142,428	149,830
FSI Consumption (1000 MT)	170,569	-	170,569	166,613	171,632	164,259	159,674
Total Consumption (1000 MT)	312,816	-635(-.2%)	313,451	307,553	317,089	306,687	309,504
Ending Stocks (1000 MT)	53,615	-2789(-4.94%)	56,404	34,579	34,975	31,358	48,757
Total Distribution (1000 MT)	417,868	-4059(-.96%)	421,927	384,327	414,866	407,820	403,436
Yield (MT/HA)	10.86	(-.46%)	10.91	10.88	11.09	10.76	10.51

Source: USDA PS&D

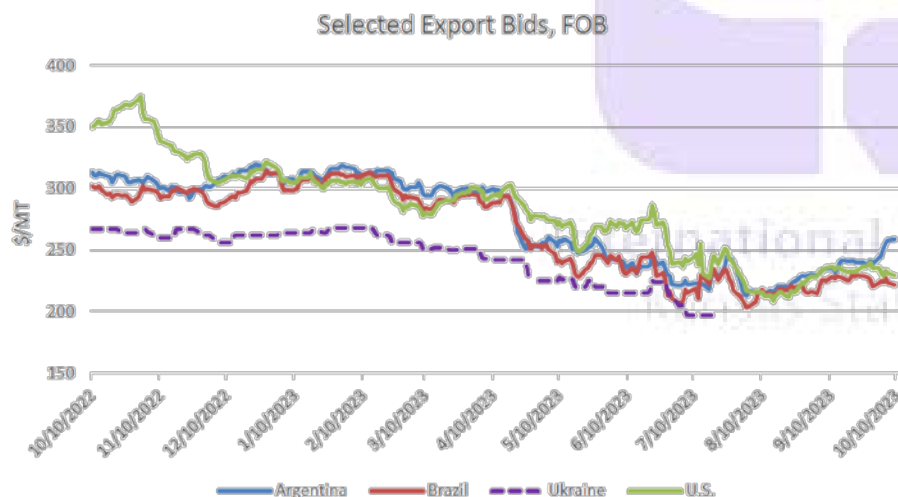
12 October 2023 USDA WASDE – This month's USDA 2023/24 U.S. corn outlook was for reduced supplies, lower feed and residual use and exports, and smaller ending stocks.

US corn production is forecast at 15.064 billion bushels, down 70 million on a cut in yield to 173.0 bushels per acre. Corn supplies are forecast at 16.451 billion bushels, a decline of 160 mbus from last month, with lower production and beginning stocks.

US corn exports are reduced 25 mbus reflecting smaller supplies and slow early-season demand. Feed and residual use is down 25 mbus based on lower supply. With supply falling more than use, corn ending stocks for 2023/24 are lowered 110 mbus.

The USDA season-average farm corn price received by producers is raised 5 cents to \$4.95 /bu.

Corn Prices



➤ **CME CBOT Corn Futures – Nearby Daily**



Source: <https://www.barchart.com/futures/quotes/ZCZ22/interactive-chart>

CBOT December 2023 Corn Futures settled on Friday at \$4.95½/bu, off 9½ cents on the day, but gaining 2 cents on the week. That also left the Mar contract with a fractional gain for the week, as the other deferred months closed unchanged on Friday to Friday. Mar24 Corn closed at \$5.09, down 8 cents, while May24 Corn closed at \$5.16½, down 7½ cents.

Hog futures were another triple digits lower on the day, with front months down by 1.8% to 2.9%. The December contract printed a new “life of contract” lows. The week’s net move was a \$3.50 drop for Dec. The National Average Base Hog price was \$3.59 lower on Friday afternoon to \$69.57. The CME Lean Hog Index from the 18th of October was \$80.45, down by 25 cents.

Weekly CFTC data showed managed money corn traders were closing shorts to reduce their net short by 3.8k contracts for the week. At 108,870 contracts net short as of 10/17, the funds have been net short for 11 consecutive weeks. Commercial corn hedgers also closed 5.9k short hedges during the week, reducing their net short to 66,933 contracts.

The International Grains Council reduced their forecast for 2023/24 corn output by 3 mmts to 1.219 billion mts. Carry-in was also reduced with few changes made on the usage side, for a 6 mmts lighter ending stocks.

US could be ~57% harvested by Sunday vs. 54% 5-year average. Dec/Mar narrowing could be money flow back into commodities, light movement against regular end user demand that was on fumes stocks wise. While the WCB harvest was well ahead of the ECB, this week was probably the 1st bite at the apple for many

ECB end users with farmer origination and bottlenecks at the dryers limited movement.

➤ **U.S. Export Corn Values – Friday the 20th October 2023**

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

USDA (U.S. No. 2, 14.5% moisture, CIF NOLA Gulf barge/rail quotes, in cents/bus.

CIF CORN	10/19/2023	10/20/2023	Del. Mo.
OCT	77 / 81	78 /	Z
NOV	76 / 79	76 / 80	Z
DEC	74 / 76	74 / 77	Z
JAN	62 / 68	62 /	H
FEB	63 / 68	61 / 70	H
MAR	63 / 68	61 / 70	H
APR	60 / 68	58 / 68	K
OCT	77 / 81	78 /	Z

BRAZIL FOB CORN @ PORT PARANAGUA

	10/19/2023	10/20/2023		
NOV	75 / 79	75 / 79	Z	UNC
DEC	82 / 92	75 / 88	Z	
JAN	60 / 65	60 / 65	H	UNC
FEB	60 / 65	60 / 78	H	
JUL	40 / 60	55 / 65	N	
AUG	40 / 55	55 / 60	U	
SEP	50 / 65	55 / 60	U	

FOB IL River for Dec continues to trade 5 - 8c below delivery. As harvest is approaching the 50% mark, if one has ownership hedged in the CZ, and needs time on their side, suggest rolling those hedges.

Brazil’s corn export line-up declined 24 mbus the past week to 373 million. That’s slightly more than double the corresponding 2022 level of 179 mbus. ANEC expects October shipments of around 335 million, 95 million more than the 2022 total. U.S. exports for this month will struggle to reach 100 mbus with very little left on the books for China and C&F Brazil values to the Far East \$5 to \$13 below the PNW/Gulf.

BARLEY

➤ World Barley Supply & Demand Outlook

Barley World as of October 2023							
Attribute	23/24 Oct'23	Change	23/24 Sep'23	22/23	21/22	20/21	19/20
Area Harvested (1000 HA)	47,272	+119(+.25%)	47,153	47,187	49,750	51,970	52,451
Beginning Stocks (1000 MT)	19,291	+126(+.66%)	19,165	18,255	20,811	21,891	20,158
Production (1000 MT)	141,773	-120(-.08%)	141,893	151,666	145,300	161,414	159,247
MY Imports (1000 MT)	26,806	+500(+1.9%)	26,306	31,480	30,079	36,066	28,638
TY Imports (1000 MT)	26,180	+100(+.38%)	26,080	31,730	29,077	36,913	28,000
TY Imp. from U.S. (1000 MT)	0	-	0	0	67	346	154
Total Supply (1000 MT)	187,870	+506(+.27%)	187,364	201,401	196,190	219,371	208,043
MY Exports (1000 MT)	27,163	+800(+3.03%)	26,363	30,242	32,411	36,281	28,952
TY Exports (1000 MT)	26,971	+100(+.37%)	26,871	30,927	28,504	37,372	29,478
Feed and Residual (1000 MT)	97,780	-233(-.24%)	98,013	106,162	99,876	116,643	111,500
FSI Consumption (1000 MT)	45,325	-300(-.66%)	45,625	45,706	45,648	45,636	45,700
Total Consumption (1000 MT)	143,105	-533(-.37%)	143,638	151,868	145,524	162,279	157,200
Ending Stocks (1000 MT)	17,602	+239(+1.38%)	17,363	19,291	18,255	20,811	21,891
Total Distribution (1000 MT)	187,870	+506(+.27%)	187,364	201,401	196,190	219,371	208,043
Yield (MT/HA)	3	(-.33%)	3.01	3.21	2.92	3.11	3.04

Source: USDA PS&D

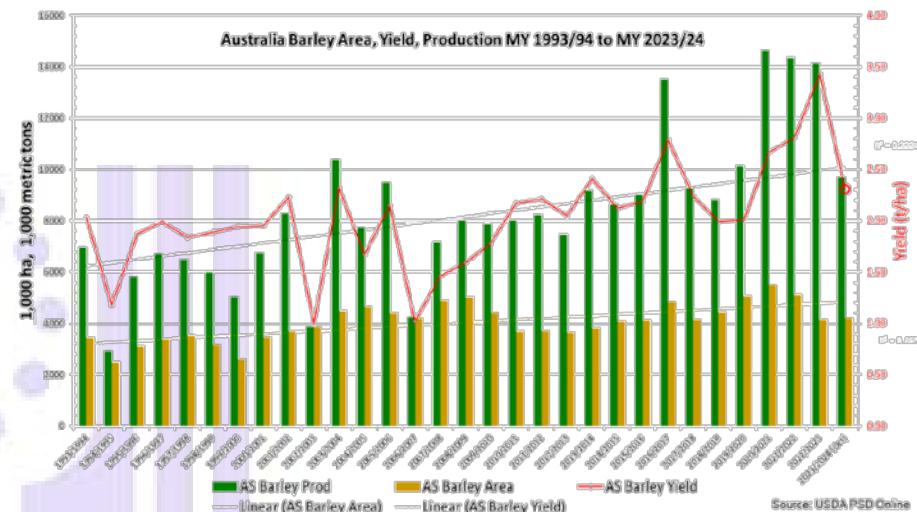
16 October 2023 USDA ERS – Non-US barley production is cut based on reductions for Australia and Kazakhstan that are partly offset by an increase for the EU.

Global barley trade for the 2022/23 international trade is projected 0.8 mmts higher this month, with the latest data supporting increased exports for Ukraine (up 0.6 mmts) and Russia (up 0.4 mmts) and a reduction for Australia (down 0.4 mmts), based on weaker shipments in August. The largest increase in barley imports this month is for Saudi Arabia (up 0.8 mmts) and for Libya (up 0.5 mmts), with both countries recently importing larger amounts of barley from Russia. China's barley imports are raised by 0.2 mmts, based on official data. A partly offsetting reduction is made for Iranian barley imports, down 0.5 mmts. As we discussed in the previous paragraph, Iranian grain import demand dropped in 2022/23, with the Russian export data supporting the reduction.

Global barley 2023/24 exports are projected 0.1 mmts higher this month. This change reflects lower projected output and exports for *Australia* and better export prospects for *Russia*, which is benefiting from the depreciation of Russian currency and weakening competition from war-affected Ukraine. Because of reduced global availability and high barley prices, barley trade for 2023/24 is projected at the lowest level in 10 years.

➤ Australia Barley: Production Revised Lower

12 October 2023 USDA FAS – USDA estimates Australia marketing year (MY) 2023/24 barley production at 9.7 mmts (mmt), down 0.3 mmt or 3% from last month, and down 4.4 mmt or 31% from last year. Harvested area is estimated at 4.2 million hectares (mha), unchanged from last month, but up 2% from last year. Yield is estimated at 2.31 tons per hectare (t/ha), down 3% from last month, and down 33% from last year's record.



The barley producing states of Western Australia and South Australia had a favorable start to the crop season with early rains and above average levels of soil moisture across most cropping regions, which encouraged producers to plant early. As a result, the early sown barley crops are at a more advanced stage than other winter grains. This advanced stage reduces the likelihood of heat stress in spring and minimizes potential yield loss even though precipitation was below normal from July through September in some growing areas. Barley sowing commenced in April and continued into June. Harvest begins in November and continues through December.

(For more information, please contact James.Crutchfield@usda.gov.)

➤ Barley Export Prices (FOB, US\$/mt)

as of 28th of October 2023

		TW	LW	LY	%Y/Y
Argentina Feed, Up River	Oct	235	235	310	-24
Australia Feed, Port Adelaide (SA)	Nov	259	260	297	-13
Australia Malting, Adelaide, (SA)	Nov	302	303	312	-3
Black Sea Feed	Nov	172	173	285	-40
EU (France), Feed Rouen	Oct	233	231	310	-25

Source: International Grains Council

Barley prices edged higher, but with few fresh fundamental drivers. The European Commission reported another week of slow exports, estimated at 28,080 mts in the week ending the 15th of October, lifting the MY total to 3.1 mmts (-11% y/y).

Stratégie Grains trimmed its 2023/24 EU crop forecast by 0.2 mmts, to 47.2 mmts (51.4 mmts). The agency also released its first look at next season's acreage,

tentatively seen slightly higher y/y, at 10.4 mts/ha. Winter fieldwork is gathering pace across Europe, with FranceAgriMer estimating winter sowings at 28% complete in France (22% average).

Activity in Black Sea barley markets was generally thin. Despite some concerns about dry weather, 2024/25 winter plantings in Ukraine are finished on 260,000 ha (equivalent to 38% of intended area), broadly similar to last year.

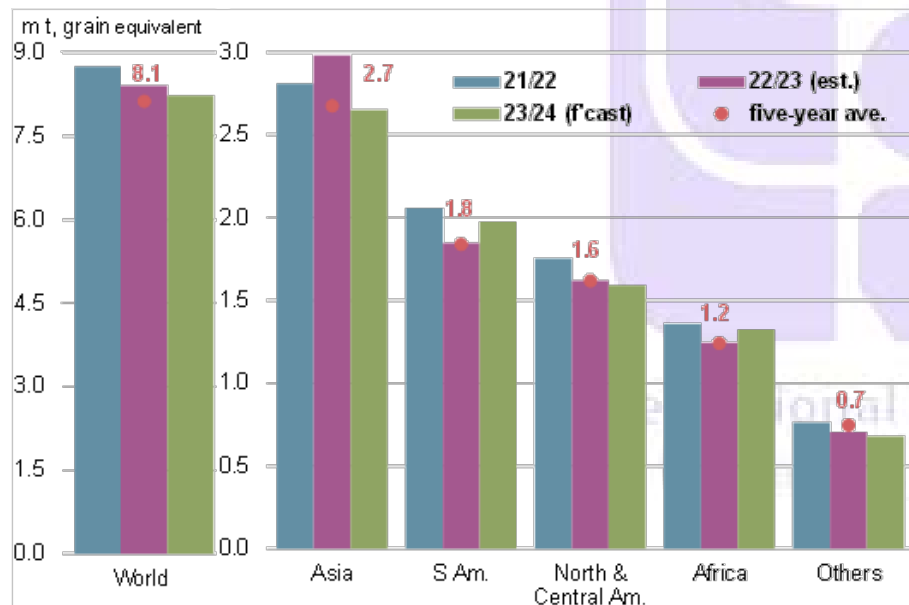
In Argentina, the government recently extended the fourth “soy dollar” preferential exchange rate scheme, adding barley (along with sunflowerseeds and sunflower oil) to the current scheme that is in place until the 25th of October.

➤ **World Trade in Barley Malt**

19 October 2023 International Grains Council - Global trade in barley malt in 2023/24 (Jul/Jun) is forecast to contract by 2% y/y, to 8.2 mmts (grain equivalent). The outlook is little changed from the July update amid a number of near-offsetting changes. Despite a much smaller global barley crop, supplies are deemed sufficient to meet world malt demand.

While inflationary pressures have started to ease, malt uptake is expected to remain subdued as the impact on disposable income is still discernible. Additionally, brewers are still struggling to recover from previous issues relating to elevated costs for raw materials, packaging and transportation.

Barley Malt: Imports (Jul/Jun)



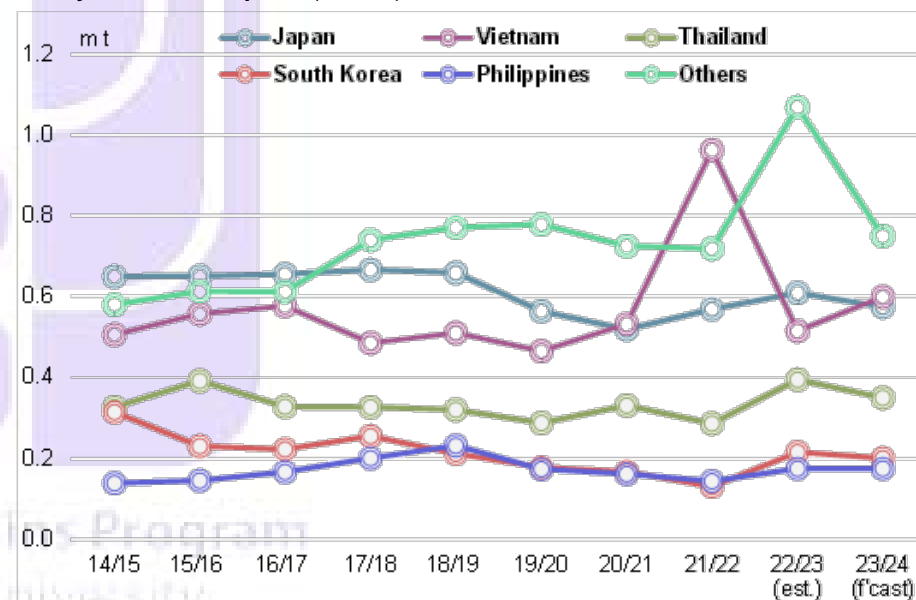
Source: International Grains Council

During the height of the COVID-19 pandemic, alcohol consumption shifted towards off-premises. This trend has remained entrenched in consumer markets. Demand for alcoholic beverages is also capped by increased health awareness, curtailing overall consumption, especially in younger populations.

Some underlying demand stems from the continued and expanding trend for "premiumisation", leaning towards higher-quality, premium products, especially prevalent in the whiskey industry. Albeit small in volume, the market represents a steadily growing outlet for barley malt. Premium whiskey products are especially popular in India and China, with the total number of operational distilleries in the latter amounting to 26 at the end of 2022, tied to a generational shift in consumption patterns.

World alcohol consumption is generally forecast to grow further, led by advances in emerging markets, especially in Africa. Regional malt imports there are forecast to rise to 1.3m t (+6%), including larger purchases by Nigeria, where beer is the most common type of alcoholic drink consumed. Purchases by South Africa, the continent's largest buyer, and by Cameroon are expected to broadly match the prior year's totals.

Barley Malt: Asia Imports (Jul/Jun)

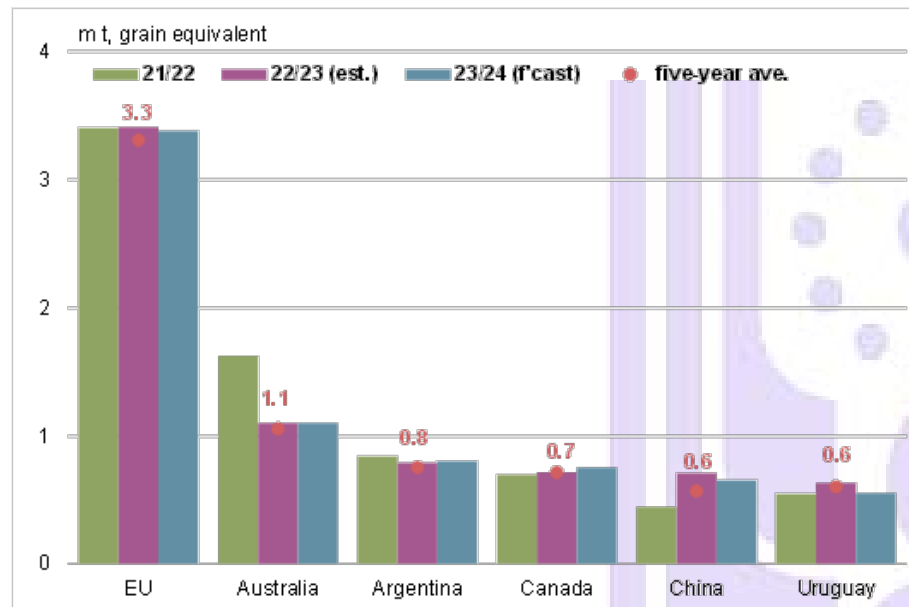


Source: International Grains Council

Following a season of unusually large arrivals, partly tied to the rebound in tourism across the region, cumulative malt shipments to Asia are forecast to contract to by 11% y/y, to 2.7m t, but broadly in line with the five-year average. Forecast decreases for Japan, South Korea and Thailand are predicted to outweigh an expected increase for Vietnam.

Led by forecast rebound in demand from Brazil, by far the largest buyer in the region, imports into South America are predicted to rise to 2.0m t (+7%).

Barley Malt: Selected Exporters (Jul-Jun)



Source: International Grains Council

The EU is expected to remain by far the largest exporter of malt, albeit with total volumes declining slightly y/y, tied to a smaller domestic outturn. EU dispatches are forecast at an above-average 3.4m t (-1%), followed by Australia, Argentina and Canada.

EXPORTS	'000 tons (grain equivalent)				
	20/21	21/22	22/23 (est.)	23/24 (f'cast)	20.07.23
Argentina	767	838	790	750	800 <
Australia	921	1,624	1,100	1,225	1,100 <
Canada	718	695	715	750	750
EU*	3,392	3,402	3,410	3,380	3,380
Russia	417	273	200	100	175 <
USA	498	454	405	425	425
China	512	446	710	650	650
Uruguay	562	547	630	525	550 <
Others	489	465	435	450	390 <
WORLD TOTAL	8,276	8,744	8,395	8,255	8,220 <

* EU-28 to 19/20, EU-27 from 20/21

IMPORTS	'000 tons (grain equivalent)				
	20/21	21/22	22/23 (est.)	23/24 (f'cast)	20.07.23
EUROPE	486	417	450	390	450 <
CIS	320	253	165	155	145 <
Russia	137	86	25	50	25 <
Others	183	167	140	105	120 <
N & C AMERICA	1,540	1,755	1,620	1,600	1,590 <
Canada	37	32	25	25	25
Mexico	707	875	790	775	790 <
USA	523	553	455	525	500 <
Others	274	295	350	275	275
SOUTH AMERICA	2,073	2,057	1,845	2,025	1,975 <
Brazil	1,735	1,650	1,505	1,650	1,600 <
Venezuela	19	68	20	40	40
Others	318	339	320	335	335
NEAR EAST ASIA	98	129	130	100	120 <
FAR EAST ASIA	2,337	2,682	2,850	2,625	2,530 <
Japan	519	569	610	550	575 <
Korea (S)	167	130	215	200	200
Philippines	161	143	175	150	175 <
Thailand	331	286	395	350	350
Vietnam	532	963	515	750	600 <
Others	627	591	940	625	630 <
AFRICA	1,296	1,358	1,245	1,275	1,325 <
Angola	117	99	125	100	120 <
Cameroon	111	149	150	125	150 <
Nigeria	296	197	160	200	180 <
South Africa	145	203	270	250	270 <
Others	627	711	540	600	605 <
OCEANIA	38	35	40	35	35
WORLD TOTAL	8,276	8,744	8,395	8,255	8,220 <

Source: International Grains Council

➤ Malteurop opens new malthouse in Mexico

19 October 2023 by Arvin Donley - Malteurop, part of Vivescia Group, a French cooperative agri-food group with operations in 25 countries around the world, on October 18th inaugurated a new malthouse for its malting business in Meoqui.

As the first malt industry player to make a significant investment in Mexico, Malteurop said it is intensifying its efforts to win new business in the country while building what it describes as “a virtuous ecosystem from grain to glass.” In addition to the €112 million investment in this malthouse, Malteurop has developed 100% local sourcing over the past three years, through a partnership with some 500 local farmers to produce malting barley.

“This new malting plant highlights French industrial and agricultural expertise, while addressing local economic needs and the challenge of sustainability,” said Christoph Büren, president of Vivescia Group. “During the construction of this new malthouse, Malteurop’s agronomic and varietal development teams put together a 100% local barley supply chain. This is an extension of our original business model, which is in place on Vivescia’s cooperative territory in France.”

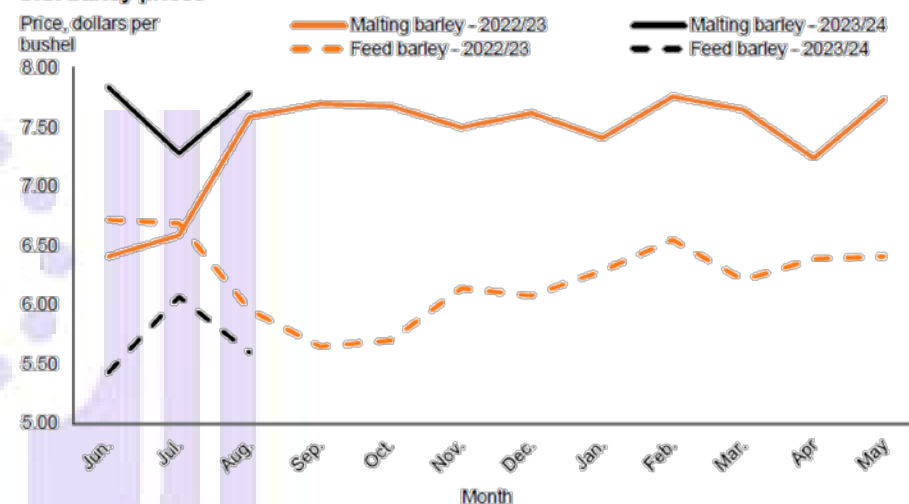
Olivier Hautin, managing director of Malteurop, added: “With an annual production capacity of 120,000 mts of malt, which could be extended to 150,000 mts in the future, this new facility will enable us to meet the needs of brewers in a particularly buoyant market, which has a shortage of malt, a strategic ingredient in beer production. This project illustrates Malteurop’s unique and well-established capacity to develop new industrial projects throughout the world.”

Over the past three years, Malteurop has formed partnerships with nearly 500 farmers, encouraging them to diversify into malting barley as an additional crop. Malteurop was able to identify the malting barley varieties that are best suited to the region, while liaising with the Vivescia Cooperative’s teams, who provided support for the farmers with agro-ecological best practices and low-carbon techniques, once again confirming its commitment to a methodical climate strategy involving the reduction of its carbon footprint and the promotion of regenerative agriculture.

Mexico is a major importer of malt, as well as being one of the world’s fastest-growing beer markets.

➤ **2023/24 US Barley Supplies Increased, Despite Lower Yields**

U.S. barley prices



Source: USDA, Economic Research Service using data from USDA, National Agricultural Statistics Service, Agricultural Prices.

16 October 2023 USDA ERS – At the end of September, USDA, NASS published its Small Grains Annual Summary report. Although planted barley acreage decreased 88,000 acres to 3.1 million for the 2023/24 marketing year, harvested area is expected to climb from 2.4 million acres to 2.56 million. The increase in harvested acreage is expected to offset the projected 2.7-bushel-per-acre decline in yields (72.4 bushels per acre), ultimately lifting barley production by 5 mbus to 185 million.

Higher beginning stocks contribute to a net gain of more than 6.8 mbus in 2023/24 barley supplies to 257.1 million. Growing barley supplies support an increase in 2023/24 barley feed and residual use by 10 mbus to 60 million.

With no other changes to the 2023/24 barley balance sheet, ending stocks are lowered from 72.3 mbus to 69.1 million.

Malt barley prices have been exceptionally strong throughout the first quarter of the 2023/24 marketing year, averaging \$7.64 /bu, compared with last year’s first quarter average of \$6.86 /bu.

The opposite is true for feed barley, which has averaged \$5.70 /bu, \$0.76 /bu lower than the same period last year.

Given the proportional impact of malting and feed barley on the all-barley price, and the average price deviations explained above, the season-average barley price forecast is raised this month to \$7.00 /bu from \$6.75 /bu.

➤ **U.S. Barley Supply & Demand Outlook**

Barley United States as of October 2023							
Attribute	23/24 Oct'23	Change	23/24 Sep'23	22/23	21/22	20/21	19/20
Area Harvested (1000 HA)	1,034	+64(+6.6%)	970	990	805	896	899
Beginning Stocks (1000 MT)	1,264	+38(+3.1%)	1,226	918	1,555	1,747	1,884
Production (1000 MT)	4,029	+110(+2.81%)	3,919	3,811	2,615	3,719	3,756
MY Imports (1000 MT)	305	-	305	513	320	142	154
TY Imports (1000 MT)	325	-	325	500	458	137	157
TY Imp. from U.S. (1000 MT)	0	-	0	0	0	0	0
Total Supply (1000 MT)	5,598	+148(+2.72%)	5,450	5,242	4,490	5,608	5,794
MY Exports (1000 MT)	65	-	65	46	160	300	125
TY Exports (1000 MT)	75	-	75	55	70	349	155
Feed and Residual (1000 MT)	1,306	+217(+19.93%)	1,089	1,077	375	560	836
FSI Consumption (1000 MT)	2,722	-	2,722	2,855	3,037	3,193	3,086
Total Consumption (1000 MT)	4,028	+217(+5.69%)	3,811	3,932	3,412	3,753	3,922
Ending Stocks (1000 MT)	1,505	-69(-4.38%)	1,574	1,264	918	1,555	1,747
Total Distribution (1000 MT)	5,598	+148(+2.72%)	5,450	5,242	4,490	5,608	5,794
Yield (MT/HA)	3.90	(-3.47%)	4.04	3.85	3.25	4.15	4.18

Source: USDA PS&D

GRAIN SORGHUM

➤ World Grain Sorghum Supply & Demand Outlook

Sorghum World as of October 2023							
Attribute	23/24 Oct'23	Change	23/24 Sep'23	22/23	21/22	20/21	19/20
Area Harvested (1000 HA)	41,642	-200(-.48%)	41,842	39,826	40,530	43,018	39,407
Beginning Stocks (1000 MT)	3,475	-238(-6.41%)	3,713	4,147	3,981	3,732	5,188
Production (1000 MT)	61,020	-1329(-2.13%)	62,349	54,869	60,997	63,117	57,060
MY Imports (1000 MT)	9,088	-600(-6.19%)	9,688	6,437	12,553	9,930	5,605
TY Imports (1000 MT)	9,083	-600(-6.2%)	9,683	6,450	12,534	9,968	5,629
TY Imp. from U.S. (1000 MT)	0	-	0	0	7,329	6,877	5,325
Total Supply (1000 MT)	73,583	-2167(-2.86%)	75,750	65,453	77,531	76,779	67,853
MY Exports (1000 MT)	9,311	-754(-7.49%)	10,065	6,141	11,758	11,423	6,514
TY Exports (1000 MT)	9,683	-600(-5.83%)	10,283	6,592	11,812	10,552	6,386
Feed and Residual (1000 MT)	23,312	-1234(-5.03%)	24,546	19,273	26,338	24,186	20,360
FSI Consumption (1000 MT)	37,031	-49(-.13%)	37,080	36,564	35,288	37,189	37,247
Total Consumption (1000 MT)	60,343	-1283(-2.08%)	61,626	55,837	61,626	61,375	57,607
Ending Stocks (1000 MT)	3,929	-130(-3.2%)	4,059	3,475	4,147	3,981	3,732
Total Distribution (1000 MT)	73,583	-2167(-2.86%)	75,750	65,453	77,531	76,779	67,853
Yield (MT/HA)	1.47	(-1.34%)	1.49	1.38	1.50	1.47	1.45

Source: USDA PS&D

16 October 2023 USDA ERS – Sorghum international trade for 2022/23 is projected slightly up (by less than 0.1 mmmts): 0.2 mmmts higher for Australian exports, but 0.1 mmmts lower for Argentine exports, and a 0.2-million-ton increase in China's imports.

Sorghum trade for 2023/24 is projected 0.6 mmmts lower, with a reduction in **U.S.** and **Argentine** exports, reflecting smaller crops in both countries. **China's** sorghum imports are reduced by the same amount, as China is the main destination for U.S and Argentine sorghum exports.

➤ USDA – U.S. Grain Sorghum

Sorghum United States as of October 2023							
Attribute	23/24 Oct'23	Change	23/24 Sep'23	22/23	21/22	20/21	19/20
Area Harvested (1000 HA)	2,533	-	2,533	1,849	2,626	2,062	1,892
Beginning Stocks (1000 MT)	616	-22(-3.45%)	638	1,201	516	764	1,617
Production (1000 MT)	9,134	-549(-5.67%)	9,683	4,770	11,375	9,474	8,673
MY Imports (1000 MT)	1	-	1	0	0	1	1
TY Imports (1000 MT)	1	-	1	1	0	1	1
TY Imp. from U.S. (1000 MT)	0	-	0	0	0	0	0
Total Supply (1000 MT)	9,751	-571(-5.53%)	10,322	5,971	11,891	10,239	10,291
MY Exports (1000 MT)	6,223	-254(-3.92%)	6,477	2,771	7,515	7,085	5,162
TY Exports (1000 MT)	6,300	-200(-3.08%)	6,500	3,000	7,387	6,926	5,404
Feed and Residual (1000 MT)	1,397	-254(-15.38%)	1,651	1,060	2,031	2,465	2,456
FSI Consumption (1000 MT)	1,398	+1(+.07%)	1,397	1,524	1,144	173	1,909
Total Consumption (1000 MT)	2,795	-253(-8.3%)	3,048	2,584	3,175	2,638	4,365
Ending Stocks (1000 MT)	733	-64(-8.03%)	797	616	1,201	516	764
Total Distribution (1000 MT)	9,751	-571(-5.53%)	10,322	5,971	11,891	10,239	10,291
Yield (MT/HA)	3.61	(-5.5%)	3.82	2.58	4.33	4.59	4.58

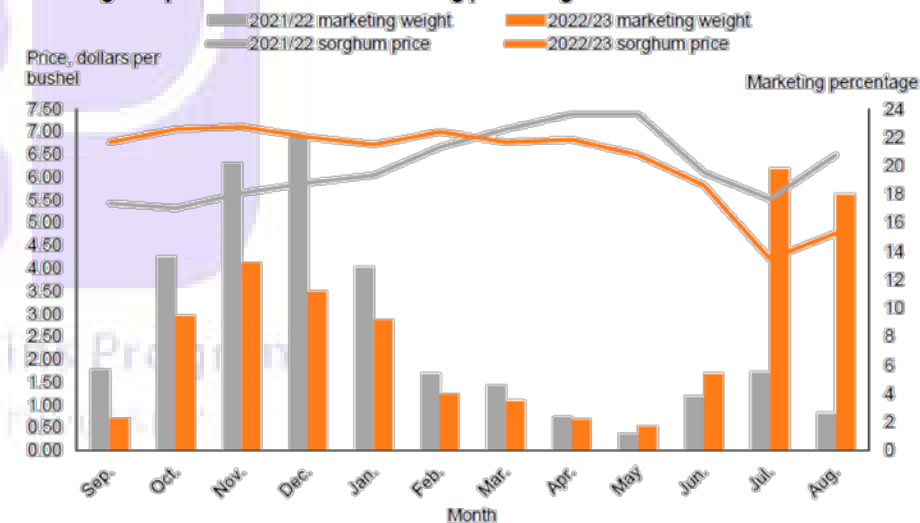
Source: USDA PS&D

➤ 2023/24 Sorghum Production, Supplies Fall on Lower Yields

16 October 2023 USDA ERS – Sorghum supplies for 2023/24 are moved lower in the October World Agricultural Supply and Demand (WASDE) report—largely on decreased production. Based on the latest USDA, NASS data, sorghum yields are lowered from 60.9 bushels per acre to 57.4, with harvested acreage unchanged. As a result, the 2023/24 sorghum production forecast is lowered by 21.64 mbus to 359.6 million. Accounting for a slight reduction in beginning stocks, sorghum supplies are expected to nearly reach 384 mbus in the 2023/24 marketing year—nearly 150 mbus higher than last year but aligning with the 5-year average. The decrease in supply has implications for domestic sorghum use. In particular, feed and residual sorghum use is expected to decrease by 10 mbus to 55 million. Moreover, sorghum exports are reduced to 245 mbus from 255 million. The net result of projected changes to sorghum supply and demand brings ending stocks down by 2.5 mbus to 28.9 million. On the basis of a tightening balance sheet, sorghum prices are projected to rise from the previous forecast of \$4.90 /bu to \$4.95 /bu.

In response to multiple reports, slight adjustments were made to the 2022/23 sorghum balance sheet. USDA, NASS reported that 2022/23 sorghum ending stocks were 24.25 mbus in its September Grain Stocks report. Thus, indicated disappearance for June-August 2023 is 28.7 mbus, 870,000 bushels shy of last month's projection. August 2023 sorghum imports and exports came in slightly lower than expected, reducing the 2022/23 sorghum estimates to 8,000 bushels and 109.1 mbus, respectively. The 2022/23 sorghum feed and residual forecast was raised by 1.75 mbus this month to 41.75 mbus.

U.S. sorghum price received and marketing percentages



Source: USDA, Economic Research Service using data from USDA, National Agricultural Statistics Service, Agricultural Prices.

According to the USDA, NASS September Agricultural Prices report, 38% of the sorghum crop was marketed during the final 2 months of the 2022/23 marketing year (July-August). Given tight supplies heading into the 2022/23 marketing year and differences in marketing years across U.S. States, the traditional marketing's of Texas sorghum provided a disproportionate weight on the U.S. average during these months. As a result, the average price received by U.S. sorghum farmers in 2022/23 was \$5.94 /bu, \$0.81 /bu lower than the previous forecast.

➤ **Grain Sorghum Export Prices (FOB, US\$/mt) the 18th of October 2023**

		TW	LW	LY	%Y/Y
US No. 2 YGS, Gulf	Nov	269	268	371	-28
Argentina, Up River	Oct	285	285	285	0
Australia, Brisbane	Nov	331	336	296	12

Source: International Grains Council

TX FOB VESSEL

MILO (USc/MT)

	10/19/2023	10/20/2023	
November	195	190	Z
December	195	190	Z
January	195	190	H

US Gulf sorghum export quotations increased by 1% w/w, reflecting slight gains in maize futures. In USDA's WASDE report, a downgraded yield figure lowered the 2023/24 production outlook by 0.5 mmts, to 9.1 mmts (4.8 mmts previous year), with exports cut moderately, to 6.2 mmts (2.8 mmts). As of the 5th of October, 2023/24 (Sep/Aug) commitments stood at 2.3 mmts (+668%). Australian FOB values were broadly unchanged w/w.

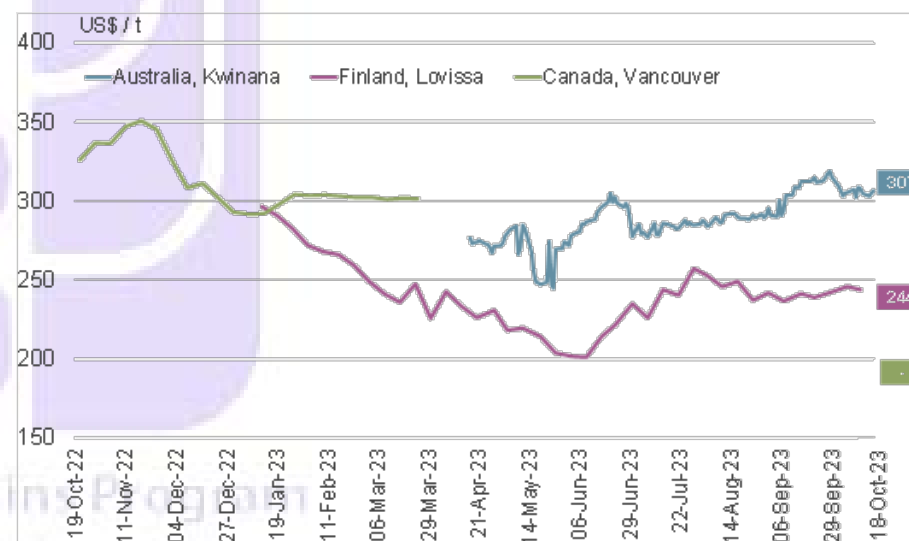
US sorghum harvest was estimated to be 53% complete by the 15th of October (55% previous year, 51% five-year ave.), with conditions rated at 42% good/excellent (22%, 49%).

OATS

➤ **World Oats Supply & Demand Outlook**

Oats World as of October 2023							
Attribute	23/24 Oct'23	Change	23/24 Sep'23	22/23	21/22	20/21	19/20
Area Harvested (1000 HA)	8,406	+49(+.59%)	8,357	9,348	9,623	10,062	9,545
Beginning Stocks (1000 MT)	3,413	+3(+.09%)	3,410	2,430	3,025	2,235	2,192
Production (1000 MT)	20,445	-120(-.58%)	20,565	25,266	22,673	25,705	23,200
MY Imports (1000 MT)	2,456	+86(+3.63%)	2,370	2,773	2,405	2,528	2,512
TY Imports (1000 MT)	2,291	-	2,291	2,857	2,337	2,615	2,518
TY Imp. from U.S. (1000 MT)	0	-	0	0	25	42	23
Total Supply (1000 MT)	26,314	-31(-.12%)	26,345	30,469	28,103	30,468	27,904
MY Exports (1000 MT)	2,365	-	2,365	2,824	2,517	2,766	2,529
TY Exports (1000 MT)	2,366	-	2,366	2,872	2,364	2,698	2,632
Feed and Residual (1000 MT)	14,126	+137(+.98%)	13,989	16,461	15,387	16,990	15,612
FSI Consumption (1000 MT)	7,724	-111(-1.42%)	7,835	7,771	7,769	7,687	7,528
Total Consumption (1000 MT)	21,850	+26(+.12%)	21,824	24,232	23,156	24,677	23,140
Ending Stocks (1000 MT)	2,099	-57(-2.64%)	2,156	3,413	2,430	3,025	2,235
Total Distribution (1000 MT)	26,314	-31(-.12%)	26,345	30,469	28,103	30,468	27,904
Yield (MT/HA)	2.43	(-1.22%)	2.46	2.70	2.36	2.55	2.43

Source: USDA PS&D



US oats futures dropped by 15% m/m, mainly influenced by losses in other grains. Quotations in Australia were slightly lower, at US\$307 fob (Kwinana), but with limited new developments. In Canada's Saskatchewan province, domestic prices were weaker on harvest pressure.

➤ USDA – US Oats Supply & Demand Outlook

Oats United States as of October 2023							
Attribute	23/24 Oct'23	Change	23/24 Sep'23	22/23	21/22	20/21	19/20
Area Harvested (1000 HA)	336	+11(+3.38%)	325	360	263	408	335
Beginning Stocks (1000 MT)	505	-	505	474	552	534	549
Production (1000 MT)	828	+110(+15.32%)	718	837	578	954	773
MY Imports (1000 MT)	1,465	+86(+6.24%)	1,379	1,449	1,396	1,472	1,586
TY Imports (1000 MT)	1,300	-	1,300	1,550	1,256	1,572	1,591
TY Imp. from U.S. (1000 MT)	0	-	0	0	0	0	0
Total Supply (1000 MT)	2,798	+196(+7.53%)	2,602	2,760	2,526	2,960	2,908
MY Exports (1000 MT)	29	-	29	28	37	46	30
TY Exports (1000 MT)	30	-	30	30	33	51	32
Feed and Residual (1000 MT)	1,030	+87(+9.23%)	943	1,051	863	1,224	1,160
FSI Consumption (1000 MT)	1,175	-1(-.09%)	1,176	1,176	1,152	1,138	1,184
Total Consumption (1000 MT)	2,205	+86(+4.06%)	2,119	2,227	2,015	2,362	2,344
Ending Stocks (1000 MT)	564	+110(+24.23%)	454	505	474	552	534
Total Distribution (1000 MT)	2,798	+196(+7.53%)	2,602	2,760	2,526	2,960	2,908
Yield (MT/HA)	2.46	+(+11.31%)	2.21	2.32	2.20	2.34	2.31

Source: USDA PS&D

➤ Higher Yields Boost 2023/24 Oat Production

16 October 2023 USDA ERS – Slight adjustments were made to 2023/24 U.S. oats acreage in the USDA, NASS Small Grains Annual Summary. Planted area was reduced by 3,000 acres; however, harvested acreage is expected to be 27,000 acres higher at 831,000 acres. Combined with a 7.1 bus/acre increase in expected yields to 68.6 bushels per acre, the 2023/24 U.S. oat production forecast is raised by 7.6 mbus this month. First quarter oat imports have exceeded expectations, totaling 25.13 mbus, and warrant a 5-million-bushel bump in the forecast to 85 mbus. These changes boost the total U.S. oat supply forecast by 12.6 mbus to 176.85 million.

With larger oat supplies, the United States is expected to increase feed and residual oat use. This month, the forecast is raised to 55 mbus from 50 million. With no additional changes to the demand side of the oats balance sheet, 2023/24 oats ending stocks are 7.6 mbus higher this month at 38.85 million. The average price received by U.S. oats farmers remains unchanged at \$3.30 /bu.

CME CBOT Oat Futures – Daily Nearby



Source: <https://www.barchart.com/futures/quotes/ZOU22/interactive-chart>

CME December 2023 Oats Futures settled on Friday at \$3.82½/bu, up 8 cents on the day, while losing a penny on the week.

Favourably dry conditions aided fieldwork in the Canadian province of Alberta, with 2023/24 harvesting estimated at 90% complete as of the 10th of October (99% year ago).

International Grains Program
Kansas State University

OILSEEDS COMPLEX

➤ World Oilseed Supply & Demand Outlook

Table 01: Major Oilseeds: World Supply and Distribution (Commodity View)

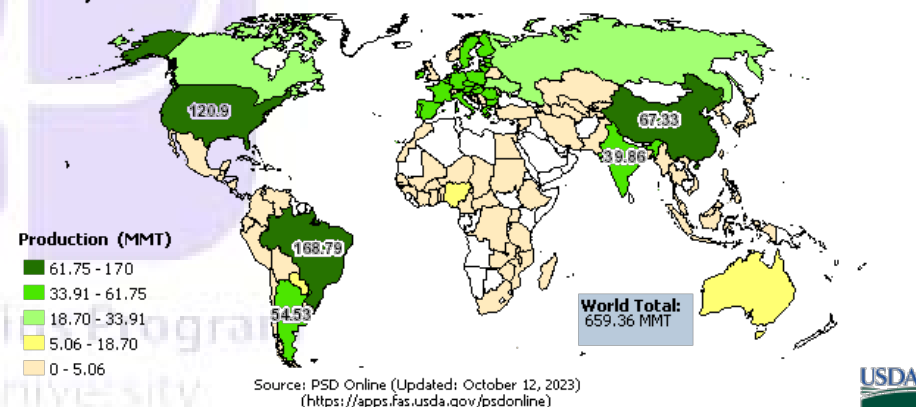
Million Metric Tons						
	2019/20	2020/21	2021/22	2022/23	Sep 2023/24	Oct 2023/24
Production						
Oilseed, Copra	5.92	5.78	6.07	6.03	6.05	6.05
Oilseed, Cottonseed	43.45	42.10	41.55	42.54	41.22	41.32
Oilseed, Palm Kernel	19.36	19.09	19.14	19.87	20.51	20.51
Oilseed, Peanut	47.73	50.42	51.89	49.33	50.76	50.52
Oilseed, Rapeseed	70.32	74.71	75.79	88.76	85.18	85.04
Oilseed, Soybean	341.45	369.22	360.43	370.24	401.33	399.50
Oilseed, Sunflowerseed	53.80	48.85	56.86	52.42	55.85	56.42
Total	582.03	610.17	611.72	629.19	660.89	659.36
Imports						
Oilseed, Copra	0.15	0.08	0.09	0.07	0.08	0.08
Oilseed, Cottonseed	0.81	0.84	1.03	1.36	1.19	1.19
Oilseed, Palm Kernel	0.14	0.14	0.15	0.16	0.15	0.15
Oilseed, Peanut	4.37	4.33	4.06	4.14	4.44	4.42
Oilseed, Rapeseed	15.82	16.66	13.84	19.60	16.44	15.86
Oilseed, Soybean	165.29	165.50	156.64	167.04	165.97	165.75
Oilseed, Sunflowerseed	3.34	2.74	3.79	4.07	3.51	2.91
Total	189.93	190.28	179.59	196.42	191.77	190.34
Exports						
Oilseed, Copra	0.28	0.10	0.12	0.12	0.13	0.13
Oilseed, Cottonseed	0.88	0.96	1.27	1.43	1.21	1.21
Oilseed, Palm Kernel	0.08	0.06	0.11	0.05	0.05	0.05
Oilseed, Peanut	5.01	5.06	4.43	4.67	4.88	4.88
Oilseed, Rapeseed	16.01	18.14	15.12	20.19	17.46	17.01
Oilseed, Soybean	165.82	165.18	154.25	170.86	168.42	168.24
Oilseed, Sunflowerseed	3.69	2.90	3.91	4.30	3.74	3.09
Total	191.77	192.39	179.21	201.61	195.89	194.62
Crush						
Oilseed, Copra	5.76	5.71	5.94	5.89	5.97	5.97
Oilseed, Cottonseed	33.28	32.55	32.15	32.51	32.78	32.86
Oilseed, Palm Kernel	19.40	19.08	18.95	19.90	20.44	20.44
Oilseed, Peanut	19.10	19.68	19.83	19.32	19.68	19.53
Oilseed, Rapeseed	69.03	71.91	72.20	80.93	81.42	81.08
Oilseed, Soybean	312.66	316.04	314.50	312.57	327.74	328.49
Oilseed, Sunflowerseed	49.40	44.97	46.69	51.05	51.43	52.33
Total	508.62	509.93	510.26	522.17	539.45	540.69
Ending Stocks						
Oilseed, Copra	0.05	0.05	0.05	0.05	0.04	0.04
Oilseed, Cottonseed	1.69	1.67	1.49	1.52	1.46	1.47
Oilseed, Palm Kernel	0.18	0.18	0.29	0.26	0.29	0.29
Oilseed, Peanut	4.71	5.05	5.10	4.46	4.29	4.39
Oilseed, Rapeseed	7.64	6.36	4.66	7.59	6.12	6.23
Oilseed, Soybean	95.15	100.26	99.13	101.89	119.25	115.62
Oilseed, Sunflowerseed	2.88	2.46	7.94	4.39	4.17	3.85
Total	112.30	116.03	118.66	120.15	135.61	131.88

World and U.S. Supply and Use for Oilseeds 1/
(Million Metric Tons)

World		Output	Total Supply	Trade	Total Use 2/	Ending Stocks
Oilseeds	2021/22	611.72	727.75	179.21	510.26	118.66
	2022/23 (Est.)	629.19	747.85	201.61	522.17	120.15
	2023/24 (Proj.)	660.89	782.48	195.89	539.45	135.61
	Sep Oct	659.36	779.51	194.63	540.69	131.88
Oilmeals	2021/22	349.59	369.71	96.29	347.31	20.30
	2022/23 (Est.)	355.60	375.90	97.09	353.99	17.29
	2023/24 (Proj.)	368.46	385.71	99.80	362.31	19.73
	Sep Oct	369.17	386.46	100.22	363.08	19.66
Vegetable Oils	2021/22	207.83	236.51	79.56	202.56	28.97
	2022/23 (Est.)	216.94	245.90	88.11	211.04	30.77
	2023/24 (Proj.)	222.84	253.33	89.39	217.54	30.62
	Sep Oct	223.19	253.96	90.12	218.65	30.05

12 October 2023 USDA WASDE – This month the USDA non-US 2023/24 oilseed production was lowered 0.2 mmts to 538.5 million mainly on lower soybean and peanut output for India and lower canola production for Canada. Partly offsetting was higher rapeseed production for Poland and higher sunflowerseed production for Argentina. India soybean production is lowered 1.0 mmts to 11.0 million, as near-record rains in September along with the historically dry conditions in August negatively impacted yields.

2023/2024 Total Oilseed Production



Source: USDA FAS <https://ipad.fas.usda.gov/ogamaps/map.aspx?cmdty=Oilseed&attribute=Production>

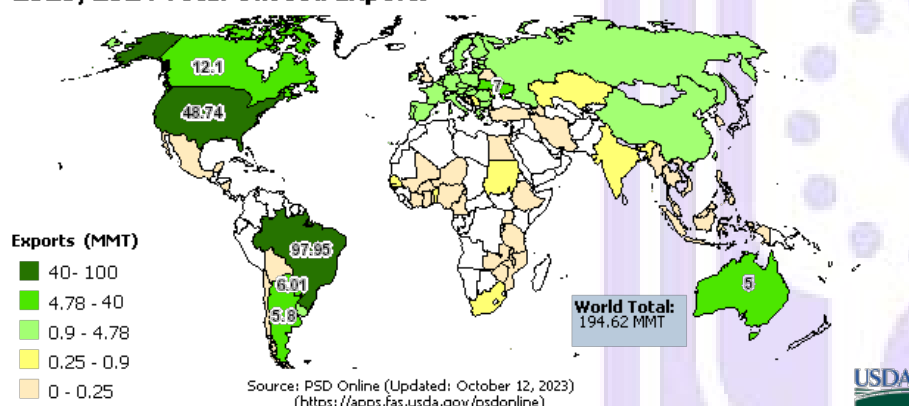
OVERVIEW FOR 2023/24

Global oilseed production was forecast down 2.0 mmts mainly on smaller India and United States soybean crops.

Oilseed exports were down 1.0 mmts on lower Canada rapeseed and Ukraine sunflowerseed.

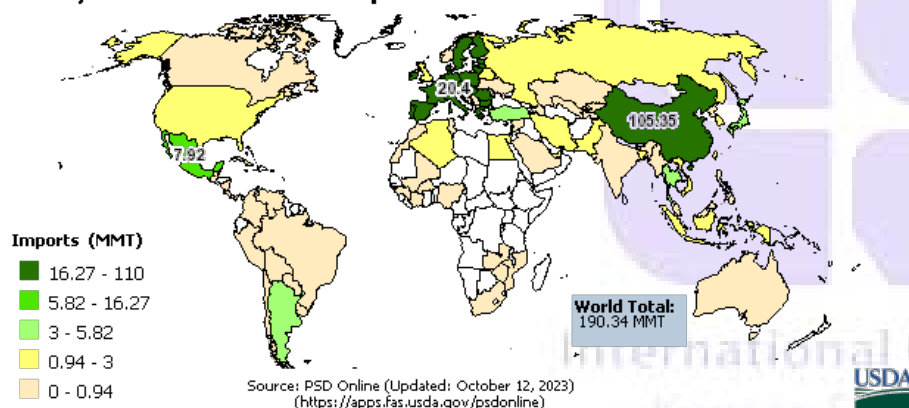
Global oilseed crush is up primarily on higher Ukraine sunflowerseed and China soybean processing; meal consumption is up for the same reasons.

2023/2024 Total Oilseed Exports



Source: USDA FAS <https://ipad.fas.usda.gov/ogamaps/map.aspx?comdt=Oilseed&attribute=Production>

2023/2024 Total Oilseed Imports



Source: USDA FAS <https://ipad.fas.usda.gov/ogamaps/map.aspx?comdt=Oilseed&attribute=Production>

Vegetable oil trade is up 1.0 mmts on higher sunflowerseed and soybean oil exports. Oil stocks are down 0.5 mmts, with lower storage of sunflowerseed oil in Russia and the EU and soybean oil in China.

The USDA projected U.S. season-average farm price for soybeans is unchanged at \$12.90 per bushel.

2023/24 OUTLOOK CHANGES (All figures are in thousand metric tons)

Country	Commodity	Attribute	Previous	Current	Change	Reason
Brazil	Oilseed, Soybean	Exports	97,000	97,500	500	Reduced U.S. exports
Canada	Oilseed, Rapeseed	Exports	7,900	7,500	-400	Lower production
China	Meal, Sunflowerseed	Imports	3,300	3,500	200	Continuing strong demand for Black Sea commodities offered at a discount
	Oil, Palm	Imports	6,700	6,400	-300	Weaker import demand on a shift to domestically produced soybean oil
	Oilseed, Rapeseed	Imports	5,400	5,200	-200	Increased domestic supplies
European Union	Oilseed, Sunflowerseed	Imports	800	500	-300	Shift to product exports from the Black Sea
	Meal, Soybean	Exports	900	600	-300	Reduced crop prospects and lower crush
India	Oil, Palm	Imports	9,000	9,300	300	Continuing strong demand for vegetable oils offered at a discount to soybean oil
	Oil, Sunflowerseed	Imports	2,200	2,700	500	
Japan	Oilseed, Rapeseed	Imports	2,250	2,050	-200	Less exportable supplies from Canada
Pakistan	Oilseed, Soybean	Imports	1,000	500	-500	Lack of near-term resolution for genetically-engineered soybean imports
Russia	Meal, Sunflowerseed	Exports	2,400	2,550	150	Higher processing
	Oil, Sunflowerseed	Exports	975	1,125	150	Shift to product exports from the Black Sea, smaller domestic production
Turkey	Meal, Sunflowerseed	Imports	850	1,000	150	
	Oilseed, Sunflowerseed	Imports	1,200	900	-300	
Ukraine	Meal, Sunflowerseed	Exports	4,450	4,650	200	Shift to product exports amidst strong oil demand from Asia
	Oil, Sunflowerseed	Exports	5,300	5,600	300	
	Oilseed, Sunflowerseed	Exports	950	500	-450	
United States	Meal, Soybean	Exports	13,698	13,880	182	Lower foreign exportable supplies
	Oilseed, Soybean	Exports	48,716	47,763	-953	Lower production

Unfavorable Weather Impacts India's Oilseed Output

16 October 2023 USDA ERS – India's total oilseed production (i.e., peanut, rapeseed, soybean, sunflowerseed, copra, palm kernel, and cottonseed) for MY 2023/24 is forecast at 40.9 mmts, down 1.2 mmts from last month's forecast and down 1.4 mmts from production in MY 2022/23. Soybean, groundnut, and sunflowerseed production forecasts are lowered this month, while other oilseeds are unchanged. As a result of lower oilseed supply, India's total oilseed crush for 2023/24 is forecast at 33.5 mmts, down 0.6 mmts from last month's forecast and down 1.2

mmts from estimated crush in MY 2022/23. With lower domestic oil supply and growing domestic vegetable oil consumption, India's vegetable oil imports are raised this month.

India's soybean production for MY 2023/24 is forecast at 11 mmmts, down 1.0 mmmts from last month on lower yield. Yield is estimated at 0.85 tons per hectare, down nearly 8% from last month and 11% from MY 2022/23. The harvested soybean area is estimated at 13 million hectares, unchanged from last month, but up 7% from last year. The mixed weather conditions across the major soybean producing States of Madhya Pradesh, Maharashtra, and Rajasthan affected proper pod filling development. The soybean regions experienced near record low rainfall in August followed by near record high rainfall in September, which negatively impacted the yields.

India's groundnut production forecast for MY 2023/24 is reduced this month by 0.2 mmmts to 6.4 mmmts on a lower harvested area. The harvested area is estimated at 5.3 million hectares, down 0.2 million hectares from last month. Yield is forecast at 1.21 tons per hectare, down 4% from last year.

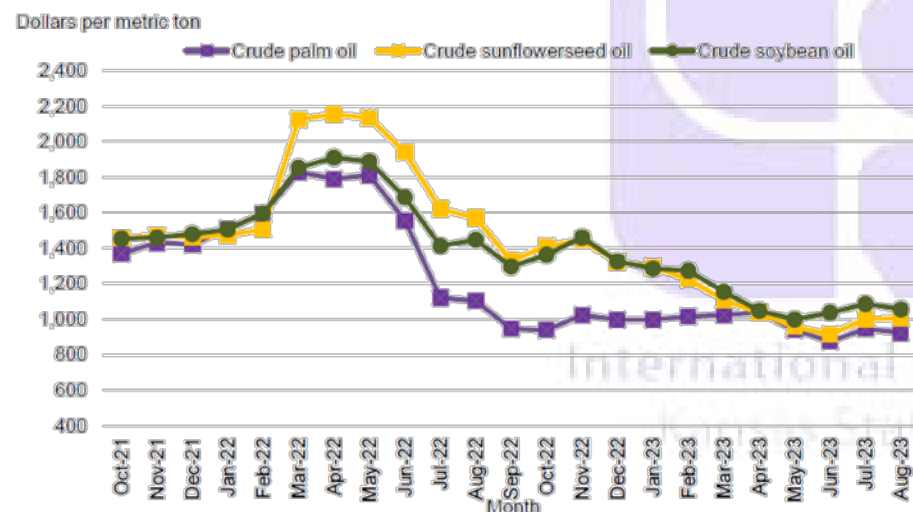
The sunflowerseed production forecast for MY 2023/24 is reduced by 50,000 metric tons from last month to 150,000 metric tons. Sunflowerseed harvested area is reduced by 50,000 hectares to 200,000 hectares. Yield is forecast at 0.75 tons per hectare, down 1% from last month's forecast, but 13% higher than the MY 2022/23 yield.

As a result of lower soybean supply, India's soybean crush forecast is reduced this month by 0.4 mmmts to 9.5 mmmts. Furthermore, ending stocks are expected to decline to 1.1 mmmts, down 0.3 mmmts from last month and 0.5 mmmts lower from last year. With the lower soybean crush, the soybean meal and oil production are reduced this month by 0.3 mmmts and 70,000 metric tons to 7.6 mmmts and 1.7 mmmts, respectively. With lower soybean meal supply forecast, soybean meal exports are reduced this month by 0.3 mmmts to 0.6 mmmts. Reduced supply of soybean oil is likely to be offset by higher other vegetable oil imports.

India's total vegetable oil imports for MY 2023/24 are forecast to reach 15.4 mmmts, up 0.8 mmmts from last month but down 1.5 mmmts from MY 2022/23. Sunflowerseed oil imports are increased this month by 0.5 mmmts to 2.7 mmmts on higher demand. Palm oil imports are raised this month to 9.3 mmmts, up 0.3 mmmts from last month's forecast.

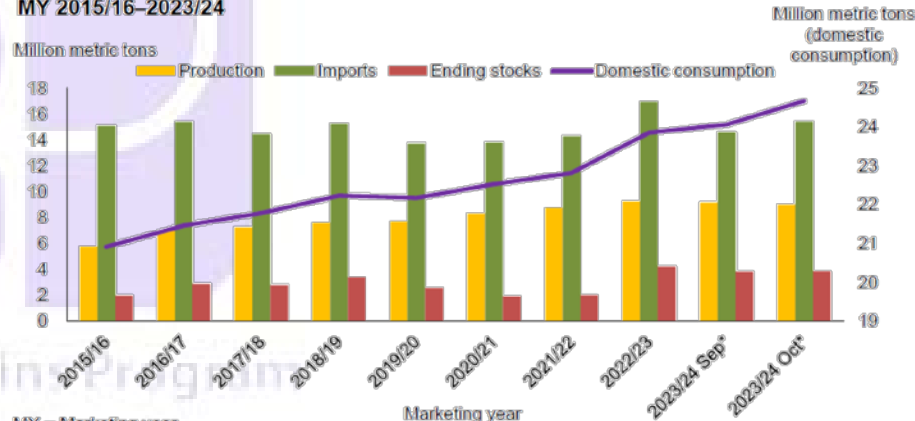
Notably, the MY 2022/23 vegetable oil imports increased this month by 0.5 mmmts to a record of 17.0 mmmts on higher arrivals. Palm oil imports topped near 10 mmmts and accounted for 59% of the total vegetable oil imports. Soybean oil imports are estimated at 3.9 mmmts, down 0.3 mmmts from the previous year. Sunflower oil imports for MY 2022/23 are estimated to reach a record of 3 mmmts on higher imports from the Black Sea. Due to higher sunflowerseed oil supply, the sunflowerseed oil price was near the level of palm oil prices in India last spring, which is atypical (figure 3). In addition, the higher imports of vegetable oil are supported by the current low 5.5-percent duty on crude palm oil, soybean oil, and sunflowerseed oil.

India vegetable oil prices, cost, insurance, and freight (CIF) India ports



Source: USDA, Economic Research Service using data from the Solvent Extractors' Association of India.

Vegetable oils production, imports, consumption and stocks in India, MY 2015/16–2023/24



MY = Marketing year

Note: Asterisk (*) denotes forecast.

Source: USDA, Economic Research Service using data from USDA, Foreign Agricultural Service, Production, Supply and Distribution database.

The lower vegetable oil prices boosted growth in domestic vegetable oil consumption and helped to replenish stocks in India. India's vegetable oils consumption is increased this month for MY 2022/23 by 0.2 mmmts and for MY 2023/24 by 0.6 mmmts

and is estimated at 23.9 mmts and 24.7 mmts, respectively. India's total vegetable oil ending stocks for MY 2023/24 are forecast at 3.9 mmts, marginally higher than last month but below a record level of 4.2 mmts in MY 2022/23.

➤ **EU 2023/24 Soybean imports 3.16 mmts, Rapeseed 1.23 mmts**

17 October 2023 Reuters - European Union soybean imports so far in the 2023/24 season that started in July had reached 3.16 mmts by October 15th, compared with 3.29 million a year earlier, data published by the European Commission showed on Tuesday.

EU weekly soybean imports fell to 68,554 mt in the reporting week – the second lowest value at the beginning of the marketing year. Weekly imports into the EU bloc were largely split between Spain and Italy, with 26,000 mt and 19,550 mt, respectively.

Since the beginning of the marketing year, the Netherlands and Spain have been the main importers of soybeans into the EU, taking 804,543 mt and 784,375 mt, or around 25% each.

This was followed by Italy with 588,032 mt, Germany with 573,952 mt, and Portugal with 106,465 mt.

Soybean meal weekly imports were largely stable at 212,317 mt, according to the current data, pushing the cumulative total since July to 4.43 mmts, still down 3% year on year.

France (72,579 mt), the Netherlands (38,564 mt), Spain (36,384 mt), and Romania (32,620 mt) were the main importers in the EU during the week.

In terms of cumulative import volume, the leading importers were Poland (790,574 mt), Spain (597,024 mt), the Netherlands (580,325 mt), France (486,582 mt), Germany (474,249 mt).

➤ **Oilseed Prices (FOB, US\$/mt) as of the 18th of October 2023**

		TW	LW	LY	%Y/Y
Soybeans					
Argentina, Up River	Oct	517	507	590	-12
Brazil (Paranagua)	Nov	486	478	608	-20
US 2Y, Gulf	Nov	504	495	597	-16
Soymeal					
Argentina (Up River)	Oct	502	466	494	2
Soya oil					
Argentina (Up River)	Oct	916	876	1259	-27
Brazil (Paranagua)	Nov	923	874	1249	-26
Canola					
Australia, Kwinana (WA)	Nov	506	513	666	-24

Canada, Vancouver	Nov	565	556	672	-16
Sunflowerseed					
EU (France) (Bordeaux)	Oct	420	416	715	-41
Palm oil					
Indonesia	Oct	845	817	880	-4

Source: International Grains Council visit: http://www.igc.int/grainsupdate/igc_goi.xlsb

By mid-week CME soybean spot futures registered slight gains in a week of choppy trade as pressure from the advancing harvest and bouts of profit taking was more than offset by support from solid domestic demand and associated outlooks for a tighter US balance sheet in 2023/24.

Strength in soya product markets, particularly soymeal, added to the positive tone, with soy oil futures partly buoyed by advancing energy markets against the backdrop of broader geopolitical tensions in the Middle East.

In USDA's WASDE update, issued last Thursday, reduced yield expectations lowered the forecast for US production by 1.1 mmts, to 111.7 mmts (116.2 mmts prior year). With domestic use placed fractionally higher, at 66.1 mmts (62.8 mmts), and exports trimmed by 1.0 mmts, to 47.8 mmts (54.2 mmts), end-season inventories were seen unchanged m/m, at 6.0 mmts – almost one-fifth lower y/y. Prospects for a 12% y/y contraction in dispatches are linked to underlying weak buying interest – largely from China – amid late-season competition from Brazil. Moreover, as of the 5th of October, cumulative US commitments stood at only 19.5 mmts, close to one-third lower y/y.

In Brazil, 2023/24 plantings were officially estimated to be 19% complete by mid-October (22% year ago), with improved weather boosting the pace of fieldwork in Mato Grosso, where progress was pegged at 35% done (42%). In Parana, seeding was 31% finished (26%). In its first formal assessment, Abiove, the vegetable oils industry association, projected Brazilian production at a record of 164.7 mmts (157.7 mmts Abiove prior year), with exports seen at 100.0 mmts (100.0 mmts) and processing at 54.0 mmts (53.5mmts). Also reflecting expanding biodiesel production, the association anticipates gains in local consumption of soy oil, to 9.2 mmts (8.7mmts), as shipments retreat to 1.6mmts (2.4mmts).

In Argentina, the Rosario Grain Exchange uprated its projection for 2023/24 soybean production by 2.0 mmts, to 50.0 mmts (20.0 mmts previous year), the y/y gain linked to larger sowings and assumed normal climatic conditions.

SOYBEANS

➤ USDA – World Soybean

Oilseed, Soybean World as of October 2023							
Attribute	23/24 Oct'23	Change	23/24 Sep'23	22/23	21/22	20/21	19/20
Area Harvested (1000 HA)	139,229	+250(+.18%)	138,979	136,111	131,453	129,733	123,574
Beginning Stocks (1000 MT)	101,891	-1094(-1.06%)	102,985	99,127	100,263	95,147	114,185
Production (1000 MT)	399,501	-1824(-.45%)	401,325	370,243	360,434	369,222	341,453
MY Imports (1000 MT)	165,746	-225(-.14%)	165,971	167,036	156,637	165,495	165,294
Total Supply (1000 MT)	667,138	-3143(-.47%)	670,281	636,406	617,334	629,864	620,932
MY Exports (1000 MT)	168,241	-178(-.11%)	168,419	170,860	154,248	165,182	165,821
Crush (1000 MT)	328,491	+752(+.23%)	327,739	312,573	314,503	316,036	312,656
Food Use Dom. Cons. (1000 MT)	24,428	+135(+.56%)	24,293	23,139	22,029	21,606	20,961
Feed Waste Dom. Cons. (1000 MT)	30,357	-227(-.74%)	30,584	27,943	27,427	26,777	26,347
Total Dom. Cons. (1000 MT)	383,276	+660(+.17%)	382,616	363,655	363,959	364,419	359,964
Ending Stocks (1000 MT)	115,621	-3625(-3.04%)	119,246	101,891	99,127	100,263	95,147
Total Distribution (1000 MT)	667,138	-3143(-.47%)	670,281	636,406	617,334	629,864	620,932
Yield (MT/HA)	2.87	(-.69%)	2.89	2.72	2.74	2.85	2.76

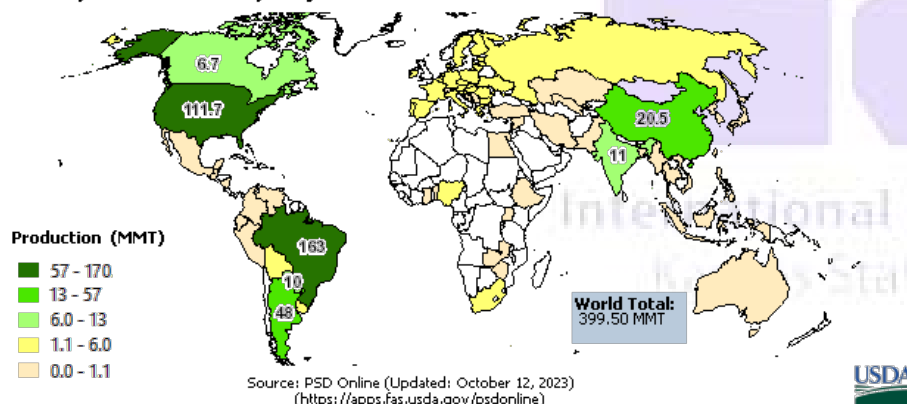
Source: USDA PS&D

12 October 2023 USDA WASDE – Global 2023/24 soybean exports were lowered 0.2 mmts to 168.2 million with lower exports for the US partly offset by higher shipments for Brazil. Soybean imports are lowered for Pakistan.

The global soybean crush was increased 0.8 mmts to 328.5 million on higher crush for China and the United States. China's crush was raised 1.0 mmts to 97.0 million in line with higher crush and domestic soybean meal demand in the prior marketing year. Partly offsetting is lower crush for India and Pakistan on lower supplies.

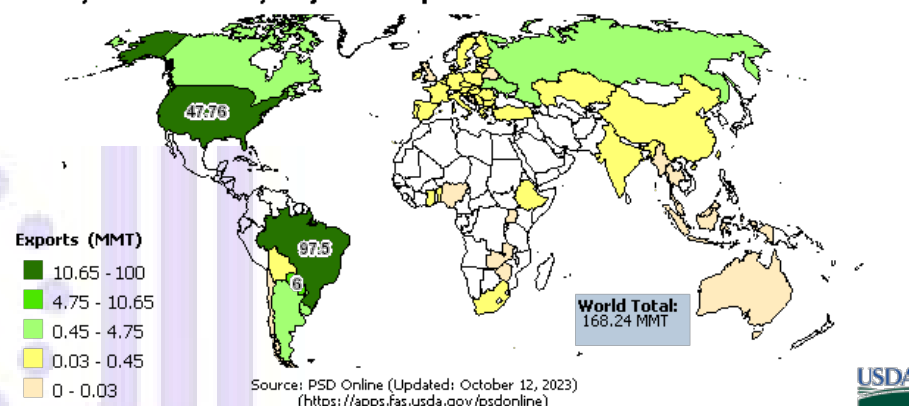
The USDA lowered global soybean ending stocks to 3.6 mmts to 115.6 million mainly on lower stocks for China, Brazil, and India.

2023/2024 Oilseed, Soybean Production



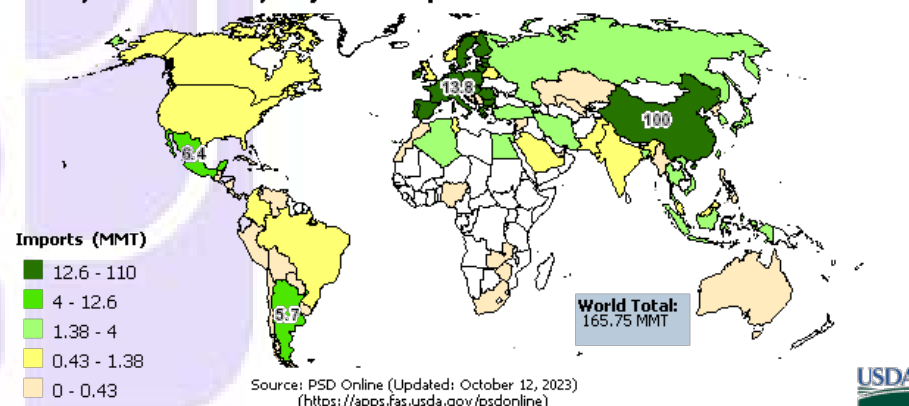
Source: USDA FAS <https://ipad.fas.usda.gov/oqamaps/map.aspx?comdt=Oilseed&attribute=Production>

2023/2024 Oilseed, Soybean Exports



Source: USDA FAS <https://ipad.fas.usda.gov/oqamaps/map.aspx?comdt=Oilseed&attribute=Production>

2023/2024 Oilseed, Soybean Imports



Source: USDA FAS <https://ipad.fas.usda.gov/oqamaps/map.aspx?comdt=Oilseed&attribute=Production>

➤ China's soybean crush level rises to 1.57 mil mt

18 October 2023 CNGOIC - China's weekly soybean crush level rose by nearly 70% from the previous week to 1.57 mmts last week, according to data from the China National Grain and Oil Information Centre (CNGOIC).

The level also represents a 23% drop from a month ago and a 4.9% decline from a year ago.

This week the crush volume is expected to increase to around 2.01 mmts. In the week prior to last week, the crush level plunged to 930,000 mt because of the

country's week-long Autumn holiday, during which many crushing plants suspended operations.

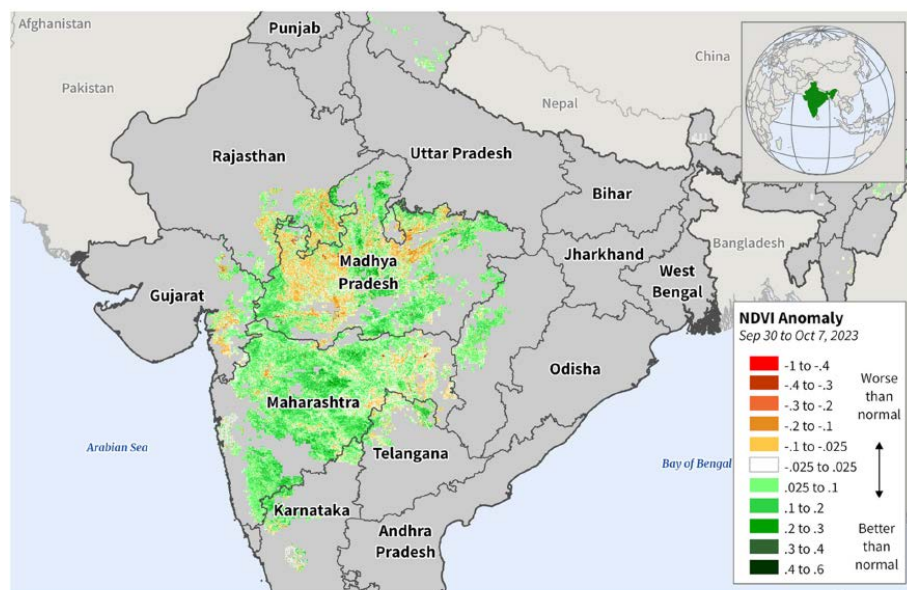
Imported soybean stocks meanwhile reversed their continuous declines seen in previous weeks to stand at 4.72 mmts as of October 14, representing a 13.7% increase from the previous week's 4.15 mmts, due to the still low utilization rate of crushing plants following the holiday.

The level also represents a 2.68% decline from a month ago and a 31.1% rise from a year ago.

Soymeal stock meanwhile fell sharply last week, with the stock of the product standing at 720,000 mt as of October 13, which was a 13.2% drop from the previous week and a 6.5% decline from a month ago.

➤ **India: Exceptional Dryness in August 2023**

Mixed Crop Vigor Across the Soybean Areas of Madhya Pradesh



Sources: NASA/USDA, MODIS 8-day NDVI Anomaly; IFPRI Soybean Crop Mask

12 October 2023 USDA FAS – India has been impacted by the uneven nature of rainfall geographically and seasonally. Farmers planted soybeans in the optimal planting window, finishing in July. August was the driest month in 48 years, with limited rainfall as the crop progressed towards flowering and pod development.

Trade sources also reported the incidence of white flies and disease on soybeans. Near-record rains in September along with historically dry conditions in August negatively impacted yields. In Madhya Pradesh, the satellite-derived Normalized

Difference Vegetation Index (NDVI) showed slightly below-average crop vigor in late September.

Soybeans are produced only in the kharif season. Madhya Pradesh, Maharashtra, and Rajasthan produce roughly 94% of the total soybean production. Soybeans are harvested from late October through November.

(For more information, please contact Arnella.Trent@usda.gov.)

➤ **India Estimates 2023 Soybean Crop at 14.239 MMT**

India's Ministry of Agriculture on the 18th of October estimated India will produce 14.239 MMT of soybeans in 2024.

That compares with production in 2022 estimated at 12.4 MMT and USDA's forecast for 2023 of 11.0 MMT.

The Indian ag ministry predicts India will produce 41.355 MMT of oilseed in 2023, an increase of 3.392 MMT over production in 2022.

➤ **USDA – Brazil Soybeans**

Attribute	Oilseed, Soybean Brazil as of October 2023						
	23/24 Oct'23	Change	23/24 Sep'23	22/23	21/22	20/21	19/20
Area Harvested (1000 HA)	45,600	-	45,600	43,900	41,600	39,500	36,900
Beginning Stocks (1000 MT)	31,448	-500(-1.57%)	31,948	27,598	29,579	20,419	33,342
Production (1000 MT)	163,000	-	163,000	156,000	130,500	139,500	128,500
MY Imports (1000 MT)	450	-	450	150	539	1,015	549
Total Supply (1000 MT)	194,898	-500(-.26%)	195,398	183,748	160,618	160,934	162,391
MY Exports (1000 MT)	97,500	+500(+.52%)	97,000	95,500	79,063	81,650	92,135
Crush (1000 MT)	55,750	-	55,750	53,000	50,712	46,500	46,742
Food Use Dom. Cons. (1000 MT)	0	-	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	3,950	-	3,950	3,800	3,245	3,205	3,095
Total Dom. Cons. (1000 MT)	59,700	-	59,700	56,800	53,957	49,705	49,837
Ending Stocks (1000 MT)	37,698	-1000(-2.58%)	38,698	31,448	27,598	29,579	20,419
Total Distribution (1000 MT)	194,898	-500(-.26%)	195,398	183,748	160,618	160,934	162,391
Yield (MT/HA)	3.57	-	3.57	3.55	3.14	3.53	3.48

Source: USDA PS&D

➤ **Brazil's Mato Grosso soybean crush largest on record for September**

17 October 2023 IMEA - The soybean crush in Brazil's largest agricultural-producing state of Mato Grosso was the largest on record for September at 1 mmts, the state's agriculture institute IMEA said late Monday.

Monthly crush volumes dropped 8% on the month due to seasonal factors, as Brazilian plants usually halt activity for maintenance works during the second half of the year.

That said, volumes crushed in September were 18.6% higher than in the same month in 2022 and the state has crushed 2.5% more beans in the first nine months of 2023 compared with the same period in the previous year.

"The year-on-year increase in crush volumes] is due to the robust demand for soy products, especially export demand for soymeal," IMEA said.

IMEA also said that gross crush margins improved by 3.8% in September compared with the previous month on the back of rising soyoil prices.

➤ **Brazil dominates China's Sep soybean imports at expense of US**

20 October 2023 - China imported 6.88 mmts of soybeans from Brazil in September, 23.4% higher than a year ago, data released by China's General Administration of Customs (GACC) showed Friday.

The level was however 24.3% less than in August, in line with an overall drop in soybean imports in September of 7.15 mmts from August's 9.36 mmts.

Total year-to-date soybean imports from Brazil have reached 54.88 mmts, 18% higher than during the same period last year.

Brazilian soybeans have been dominant in 2023, taking 69.6% of the total 78.8 mmts of soybeans brought in this year so far, following a bumper harvest and attractively priced beans, which prompted more interest from Chinese buyers.

The year-on-year rise in September imports of Brazilian soybeans also comes at the expense of cargoes from the US, with US soybean imports sliding by 88.4% on the year to just 133,692 mts.

The level was however 11.3% more than in August, with shipments expected to rise in the last quarter of the year amid the US harvest season.

In the first nine months of 2023, China imported 20.11 mmts of soybeans from the US, outpacing the level from last year by 3.77%.

➤ **USDA – Argentina Soybeans**

Attribute	Oilseed, Soybean Argentina as of October 2023						
	23/24 Oct'23	Change	23/24 Sep'23	22/23	21/22	20/21	19/20
Area Harvested (1000 HA)	16,400	-	16,400	14,400	15,900	16,470	16,700
Beginning Stocks (1000 MT)	17,503	-100(-.57%)	17,603	23,903	25,060	26,650	28,890
Production (1000 MT)	48,000	-	48,000	25,000	43,900	46,200	48,800
MY Imports (1000 MT)	5,700	-	5,700	9,200	3,839	4,816	4,882
Total Supply (1000 MT)	71,203	-100(-.14%)	71,303	58,103	72,799	77,666	82,572
MY Exports (1000 MT)	4,600	-	4,600	4,100	2,861	5,195	10,004
Crush (1000 MT)	34,500	-	34,500	30,250	38,825	40,162	38,770
Food Use Dom. Cons. (1000 MT)	0	-	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	7,250	-	7,250	6,250	7,210	7,249	7,148
Total Dom. Cons. (1000 MT)	41,750	-	41,750	36,500	46,035	47,411	45,918
Ending Stocks (1000 MT)	24,853	-100(-.4%)	24,953	17,503	23,903	25,060	26,650
Total Distribution (1000 MT)	71,203	-100(-.14%)	71,303	58,103	72,799	77,666	82,572
Yield (MT/HA)	2.93	-	2.93	1.74	2.76	2.81	2.92

Source: USDA PS&D

➤ **Argentina soybean sales drop by 85% in October: BCR**

16 October 2023 BCR - Argentina's average daily sales of soybeans dropped by 85% in October when compared to the level seen in September, Rosario Grain Exchange (BCR) said.

From September 5th to September 30th, the average sales per day was 202,000 mts, while from October 1st to 12th, the volume dropped to 31,000 mts.

Up until last Thursday, domestic sales of soybeans under the soy dollar 4 preferential exchange rate scheme amounted to 4.9 mmts.

According to BCR, sales declined in October due to the low availability of soybeans, as only 3.4 mmts are left to be traded, with 77% of the 2022/23 crop sold.

At the same time last year, 73% of the 2021/22 crop has been sold, while the average for the past five crops was 69%.

"On the other hand, the economic and political ups and downs of the last few weeks have increased uncertainty regarding the cost of inputs and rents, among others, at a time when producers are finalizing their sowing plans for the new season," BCR said.

The presidential elections are scheduled for next Sunday, October 22nd.

As the new crop is beginning, the water deficit continues to affect large productive areas, along with early frosts this week.

➤ **Argentine Presidential Election is a Three-Person Race**

16 October 2023 by Michael Cordonnier/Soybean & Corn Advisor, Inc. - Voters in Argentina will go the polls on Sunday, October 22nd to choose a new president. Recent polling indicates that it is a three-person race. In first place with 34-35% is Javier Milei the radical economist. In second place is Sergio Massa, the current Economic Minister with 29-30% and in third place is Patricia Bullrich a conservative politician with 24-25%.

To win in the first round of voting, a candidate need 45% of the votes or 40% of the votes if they lead the second-place finisher by 10% or more. If no candidate reaches that threshold, a runoff election will be held on November 19th.

Milei has proposed discarding the peso for the U.S. dollar although many economists say that is not possible because there is not enough dollars in the country. He also proposes drastic cuts to government spending, eliminating subsidies for such things as utilities, transportation, education, health care, and eliminating the central bank. He also wants to eliminate export taxes on agricultural commodities even though they bring in about 11-12% of the government's revenue. The agricultural community heavily supported Milei during the presidential primary.

He "talks a good game", but he needs the Argentine Congress to enact his proposals and that is not at all certain. There are only two members of his party in the current Argentine Congress, himself and his vice-presidential candidate.

➤ **USDA – U.S. Soybeans**

Oilseed, Soybean United States as of October 2023							
Attribute	23/24 Oct'23	Change	23/24 Sep'23	22/23	21/22	20/21	19/20
Area Harvested (1000 HA)	33,504	-	33,504	34,871	34,929	33,428	30,327
Beginning Stocks (1000 MT)	7,299	+491(+7.21%)	6,808	7,468	6,994	14,276	24,740
Production (1000 MT)	111,703	-1134(-1%)	112,837	116,216	121,528	114,749	96,667
MY Imports (1000 MT)	816	-	816	667	433	539	419
Total Supply (1000 MT)	119,818	-643(-.53%)	120,461	124,351	128,955	129,564	121,826
MY Exports (1000 MT)	47,763	-953(-1.96%)	48,716	54,208	58,571	61,664	45,800
Crush (1000 MT)	62,596	+272(+.44%)	62,324	60,199	59,980	58,257	58,910
Food Use Dom. Cons. (1000 MT)	0	-	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	3,484	+48(+1.4%)	3,436	2,645	2,936	2,649	2,840
Total Dom. Cons. (1000 MT)	66,080	+320(+.49%)	65,760	62,844	62,916	60,906	61,750
Ending Stocks (1000 MT)	5,975	-10(-.17%)	5,985	7,299	7,468	6,994	14,276
Total Distribution (1000 MT)	119,818	-643(-.53%)	120,461	124,351	128,955	129,564	121,826
Yield (MT/HA)	3.33	(-1.19%)	3.37	3.33	3.48	3.43	3.19

Source: USDA PS&D

12 October 2023 USDA WASDE – This month USDA US oilseed production for 2023/24 was forecast at 120.9 mmts, down 1.3 million from last month with lower soybean, cottonseed, peanut, rapeseed, and sunflowerseed production.

Soybean production was forecast at 4.1 billion bushels, down 42 million on lower yields. Harvested area was unchanged at 82.8 million acres. The soybean yield is projected at 49.6 bushels per acre, down 0.5 bushels from the September forecast. The largest production changes are for Kansas, Michigan, and Nebraska. With lower production partly offset by higher beginning stocks, supplies were reduced 24 mbus.

Soybean exports were reduced 35 mbus to 1.76 billion with increased competition from South America.

US soybean crush was projected at 2.3 billion bushels, up 10 million, driven by higher soybean meal exports and soybean oil domestic demand.

Soybean oil domestic use was raised in line with an increase for 2022/23.

With lower soybean exports partly offset by increased crush, ending stocks were unchanged from last month at 220 mbus.

The USDA US season-average soybean farm price for 2023/24 was unchanged at \$12.90 /bu. Soybean meal and oil prices were unchanged at \$380 per short ton and 63 cents per pound, respectively.

➤ **NOPA September US soybean crush at 165.456 million bushels**

16 October 2023 by Karl Plume, Reuters - The U.S. soybean crush jumped last month to the highest-ever level for September, while end-of-month soyoil stocks thinned to the lowest in nearly nine years, according to National Oilseed Processors Association (NOPA) data released on Monday.

NOPA members, which account for around 95% of soybeans crushed in the United States, processed 165.456 million bushels of soybeans last month, up 2.5% from the

161.453 million bushels processed in August and up 4.6% from the September 2022 crush of 158.109 million bushels.

It was the largest September crush on record, topping the prior mark of 161.491 million bushels set in 2020.

Last month's crush topped the average trade estimate of 161.683 million bushels in a Reuters survey of nine analysts. Estimates ranged from 153.700 million to 167.000 million bushels, with a median of 163.215 million bushels.

NOPA data showed year-on-year crushing increases in all regions of the country except for the Southeast.

Soyoil stocks among NOPA members as of Sept. 30 fell to 1.108 billion pounds, below all trade estimates and the lowest end-of-month oil stocks since December 2014.

NOPA members' oil supplies were down 11.4% from the 1.250 billion pounds on hand at the end of August and down 24.1% from stocks totaling 1.459 at the end of September last year.

Analysts had expected a drop in stocks to 1.208 billion pounds, according to the average of estimates gathered from six analysts. Estimates ranged from 1.119 billion to 1.300 billion pounds, with a median of 1.200 billion pounds.

➤ **NOPA September US soybean crush seen at 165.5 mbus**

Very impressive NOPA September crush report at 165.5 mbus, a new high for the month and topping the trade average by almost 4 mbus. The oil stocks figure was quite supportive: production up 46 billion pounds and more or less in line with the higher crush while end of September inventories fell by 142 million pounds to a 9 year low of 1.1 billion, underscoring the strong demand for biofuel production.

➤ **Soybeans hit 3-week high on strong demand, Brazil drought**

19 October 2023 by Naveen Thukral, Reuters - Chicago soybean futures were flat on Thursday, after climbing earlier in the session to a three-week high as prices found support in strong demand from U.S. oilseed processors and a drought in rival exporter Brazil.

Wheat gained ground amid tight supplies in India, a leading wheat consumer, while corn eased.

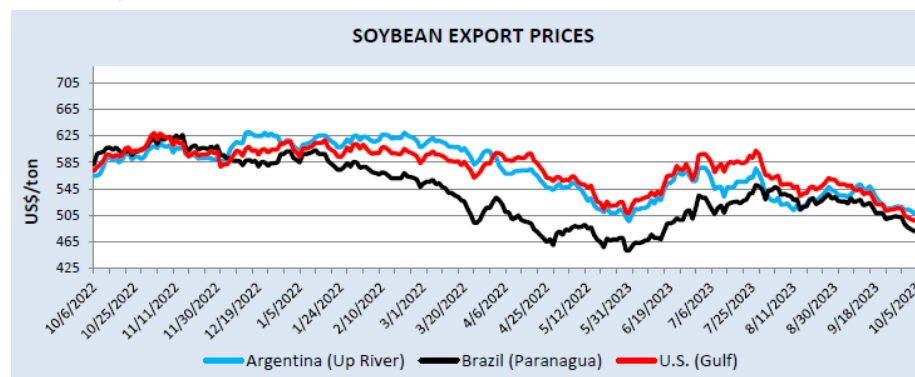
"The soybean market is taking into account U.S. demand and dry weather in Brazil," said one Singapore-based oilseed trader. "But China's demand will be key to prices going forward."

The most-active soybean contract on the Chicago Board of Trade (CBOT) held its ground at \$13.10 a bushel, as of 0325 GMT, after hitting its highest since Sept. 27 at \$13.15 a bushel earlier on Thursday.

Soybean futures are being supported by strong U.S. local demand and on news that U.S. exporters had sold 132,000 metric tons of soybeans to China for the 2023-2024 marketing year.

A severe drought in Brazil, the world's biggest soybean exporter, is providing further support to prices.

World Soybean Prices



September 2023 Soybean Export Prices

	U.S. Gulf FOB	Argentina Up River FOB	Brazil Paranagua FOB
September Avg Price	\$ 530/ton	\$ 531/ton	\$ 514/ton
Change vs August	- \$ 21/ton	+ \$ 3/ton	- \$ 17/ton

Source: International Grains Council. All prices are FOB: U.S. Gulf, Argentina Up River, and Brazil Paranagua.

Soybean export prices moved lower this month, especially in the United States where the new crop began to arrive on the market while shipments from a record Brazil crop infringed on the U.S. export season.

Additional negative pricing pressure was provided by a higher-than-anticipated U.S. quarterly stocks report. Argentina prices were little changed on tight supplies, while Brazil prices were down modestly.

Vegetable oil was a particularly strong driver of oilseed prices this month. Palm oil prices fell to a 3-month low on seasonally-high production and competition from other oils including sunflowerseed oil, which is currently trading at an unusual discount. In the United States, smaller-than-expected August crush volume as well as lower Renewable Fuel Standard credit (RIN) prices moved average soybean oil prices \$104/ton this month.

Spot Soybean Export Prices (As of October 19, 2023) Source: Agricensus

U.S. FOB Gulf	\$510.00/mt,	+\$0.75
U.S., FOB PNW	\$527.75/mt	+\$1.00
Argentina, FOB UpRiver	\$547.75/mt	+\$0.50
Brazil, FOB	\$525.75/mt	+\$3.50

CME CBOT Soybeans Futures – Nearby Daily



Source: <https://www.barchart.com/futures/quotes/ZSF23/interactive-chart>

CME November 2023 Soybean Futures settled on Friday at \$13.02¼/bu, off 13¼ cents on the day, while gaining 22 cents on the week. Jan24 Soybeans closed at \$13.20¼, down 11½ cents, while Mar24 Soybeans closed at \$13.31, down 9 cents.

Friday trading cooled the market off with 2 to 13 cent losses across the front months. Nov23 held above the \$13.00 mark at the close.

After yesterday's sharp jump, bean spreads relaxed 1-2 cents today with no new export confirmations: X/F -18, F/H -10.75.

Soymeal futures had mostly faded on Friday, but closed the day mixed and within \$3 of UNCH. Dec meal prices rose a net \$33.90/ton (8.7%) for the week. Soybean Oil prices ended the last trade day of the week off the highs but still 2 to 28 points in the black. That limited the week's pullback to 99 points for the Dec contract with the 5th consecutive red candle on the weekly continuation chart. Dec23 board crush +18 to \$2.175/bu.

Weekly CFTC data showed managed money flipped net short in soybeans for the first time since Covid after net new selling through the week that ended 10/17. The commercials added 48.7k new hedges during the week, with slightly more net new buying than short selling. That reduced the commercial net position by 3.9k contracts to a 72.5k net short. The funds were shown with a 50,698 contract net long in soybean as of 10/17. That was an 18,639 contract stronger net long for the week. CFTC reported spec traders were 5k contracts less net long in soy oil at 20,729.

The IGC expects 23/24 soybean production as 393 mmts. That is 3 mmts lighter than their prior estimate, with a corresponding cut to usage. Ending stocks were left at 62 mmts in their October forecast.

Most farmers should get harvest down to the last 20% or less this weekend; expect we will stay well ahead of average pace of 67%.

➤ **U.S. Export Soy Basis Values – Friday the 20th of October 2023**

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

USDA (U.S. No. 2, CIF New Orleans) Gulf barge/rail quotes, in cents/bus.

CIF BEANS	10/19/2023	10/20/2023	
OCT	80 / 86	80 /	X
NOV	77 / 84	78 / 81	X
DEC	61 / 69	63 / 68	H
JAN	61 / 72	65 /	H

BRAZIL FOB BEANS @ PORT PARANAGUA

	10/19/2023	10/20/2023		
NOV	15 / 28	15 / 28	X	UNC
FEB	-80 / -60	-75 / -50	H	
MAR	-110 / -105	-110 / -98	H	
APR	-115 / -105	-110 / -100	K	
MAY	-110 / -83	-105 / -85	K	
JUN	-95 / -80	-90 / -80	N	
JUL	-87 / -80	-85 / -80	N	

IWDS basis is Zone 3 basis is 15 cents below Nov DVE, up 11 cents on the week. Jan24 basis is still 27 cents below DVE, unchanged. Given 6 days till FND and basis still 15 cents below DVE, the spreads need to continue to offer carry to lift the basis up to delivery value. Central and Western belt processor basis continued ramping up this week. But, with harvest winding down, below average farmer selling, firming processor basis and expectations for steady China buying; the spreads may not need to widen much past -20 to get cash/futures to balance.

Chinese data showed soybean imports from Brazil made up 6.88 mmts of the 7.15 mmts Sep import total. The U.S. share was listed at only 134,000 mts for the month.

ANEC, the Brazilian exporter association expects October soybean exports to reach a record (for Oct) 6.6 mmts, surpassing the previous high of 5.3 mmts in 2018. If achieved, this would put the Sep-Oct export total at 13.5 mmts. or, 211 mbus more

than last fall and which probably goes a long way in explaining why U.S. soybean sales so far this year trail 22-23 by over 300 mbus.

➤ **CBOT soybeans touch four-week high on demand, SAM drought**

19 October 2023 Reuters - Chicago Board of Trade soybean futures touched a four-week high on Thursday, before easing back a bit, amid strong demand for U.S. supplies and ongoing drought concerns in Brazil.

A rally to August highs in soymeal helped support soybeans, traders said.

They kept an eye on the world's biggest soy supplier Brazil, which has increased sales to China this year following a record harvest in the Latin American country.

Now, a drought in Brazil has slowed soybean plantings and disrupted crop shipments on barges.

CBOT November soybeans settled the day up 4-1/2 cents at \$13.15-1/2 a bushel, after hitting its highest price since Sept. 21 at \$13.17-3/4.

December soymeal closed \$9.20 higher at \$423 per ton, after earlier touching its highest price since July 27 at \$424.3 per ton.

December soyoil slipped 1.75 cents to close at 53.11 cents per pound.

Weekly U.S. soybean export sales of 1.4 mmts for 2023/2024 were up 92% from the prior four-week average and within analysts' estimates.

Soymeal export sales of 434,700 metric tons for 2023-24 were also within expectations.

➤ **Chinese Shipments Buoy Higher U.S. Soybean Inspections**

16 October 2023 by Kirk Maltais - Export inspections of U.S. soybeans have surged to over 2 mmts for the week ended Oct. 12, fueled in large part by shipments to China.

Soybean export inspections totaled 2.01 mmts for the week, which is up from 1.4 mmts reported in the previous week. This brings inspections for the current marketing year that started in September to 5.4 mmts. That's up nearly 15% from this time last year, which is a decrease from 30% higher reported last week.

China was the leading destination for U.S. soybean shipments - with 1.36 mmts sent there in total for the week. Mexico was the next-highest destination for the week.

Meanwhile, corn inspections are down from the previous week, while wheat inspections are slightly higher. Corn inspections totaled 434,471 mts, while wheat inspections were 354,771 mts.

Japan was the leading destination for wheat reported this week, while Mexico was the leading destination for corn.

➤ U.S. Soybean Exports Reduced While Soybean Meal Exports Increased

16 October 2023 USDA ERS - U.S. export inspections of soybeans in September totaled 84.8 mbus, 14.0 mbus higher than the same period last year but nearly 34% below the prior 5-year average as Brazil continues to ship large volumes. As of September 28, the U.S. total commitments (sales and shipments) are standing at 18.6 mmts, 32% below the same period last marketing year. Sales and shipments to China accounted for 44% of total commitments. Sales to unknown destinations have reported a sharp increase, although many sales commitments could also be for China. Sales to the European Union (EU) and Mexico have decreased compared with last year. Gains in other markets where the destination is known are modest. The soybean export forecast for MY 2023/24 is reduced by 35 mbus this month to 1.76 billion bushels. Soybean crush for 2023/24 is raised by 10 mbus this month to 2.3 billion bushels on higher demand for soybean products. With lower soybean exports more than offsetting lower supply, the MY 2023/24 ending soybean stocks are unchanged this month at 220 mbus. The 2023/24 U.S. average farm price is forecast at \$12.90 per bushel, unchanged from last month's forecast.

With a higher forecast for U.S. soybean crush this month, soybean meal production for MY 2023/24 is raised to 54.2 million short tons, up 0.2 million shorts tons. Soybean meal exports for MY 2023/24 is forecast at 15.3 million short tons, 0.2 million short tons higher than last month's forecast on lower foreign exportable supplies. Domestic soybean meal demand forecast is unchanged this month and stands at 39.4 million short tons. A record-low supply of cottonseed and limited availability of other mid-protein meals will likely support further use of soybean meal. Soybean meal prices in Decatur, Illinois, declined 6% during September and averaged \$411.00 per short ton. The soybean meal average price for MY 2023/24 is unchanged at \$380.00 per short ton.

The soybean oil production forecast for MY 2023/24 is increased by 115 million pounds this month to 27 billion pounds. Demand for soybean oil has stayed robust, particularly for biofuel consumption. The U.S. Department of Energy's U.S. Energy Information Administration's (EIA) Feedstocks Consumed for Production of Biofuels report, dated September 29, showed 1.27 billion pounds of soybean oil were used in biofuels during July 2023, a new monthly record high. This was 5.5% higher than the previous record observed in June 2023. For both MY 2022/23 and 2023/24, soybean oil for biodiesel is forecast higher to 12.1 billion pounds and 12.8 billion pounds, respectively. Soybean oil stocks have tightened nearby on a combination of higher use and a 10-month low for soybean oil production in August. Soybean oil ending stocks for MY 2023/24 are forecast at 1.7 billion pounds, 85 million pounds lower than last month's forecast. The 2023/24 average price for soybean oil is unchanged at 63 cents per pound.

CANOLA / RAPESEED

➤ World Rapeseed Supply & Demand Outlook

Oilseed, Rapeseed World as of October 2023							
Attribute	23/24 Oct'23	Change	23/24 Sep'23	22/23	21/22	20/21	19/20
Area Harvested (1000 HA)	42,386	+125(+.3%)	42,261	41,844	38,458	35,330	35,146
Beginning Stocks (1000 MT)	7,587	+42(+.56%)	7,545	4,657	6,363	7,644	9,744
Production (1000 MT)	85,039	-144(-.17%)	85,183	88,758	75,786	74,714	70,323
MY Imports (1000 MT)	15,860	-581(-3.53%)	16,441	19,603	13,837	16,657	15,818
Total Supply (1000 MT)	108,486	-683(-.63%)	109,169	113,018	95,986	99,015	95,885
MY Exports (1000 MT)	17,013	-450(-2.58%)	17,463	20,190	15,124	18,138	16,012
Crush (1000 MT)	81,081	-340(-.42%)	81,421	80,925	72,202	71,913	69,029
Food Use Dom. Cons. (1000 MT)	745	-	745	720	665	665	265
Feed Waste Dom. Cons. (1000 MT)	3,421	-	3,421	3,596	3,338	1,936	2,935
Total Dom. Cons. (1000 MT)	85,247	-340(-.4%)	85,587	85,241	76,205	74,514	72,229
Ending Stocks (1000 MT)	6,226	+107(+1.75%)	6,119	7,587	4,657	6,363	7,644
Total Distribution (1000 MT)	108,486	-683(-.63%)	109,169	113,018	95,986	99,015	95,885
Yield (MT/HA)	2.01	(-.5%)	2.02	2.12	1.97	2.11	2

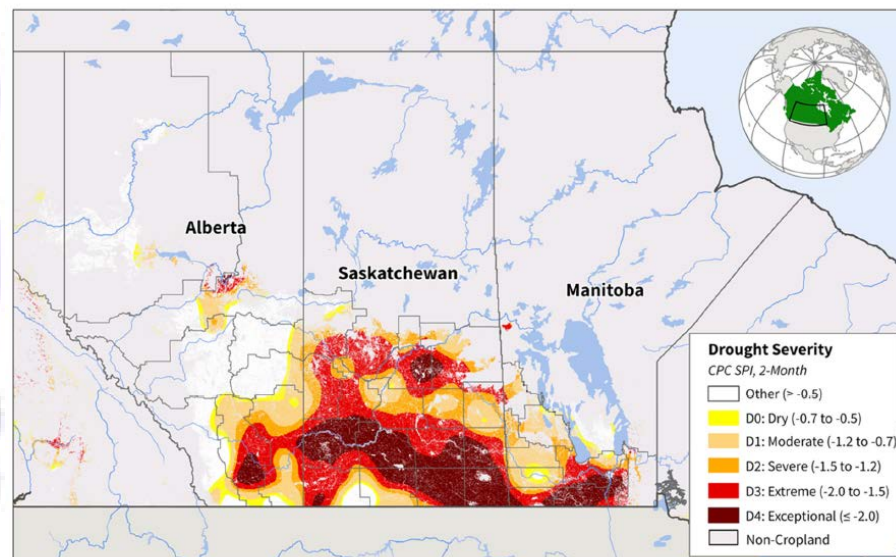
Source: USDA PS&D

➤ Canada Rapeseed: Statistics Canada Modeling Indicates Lower Yields

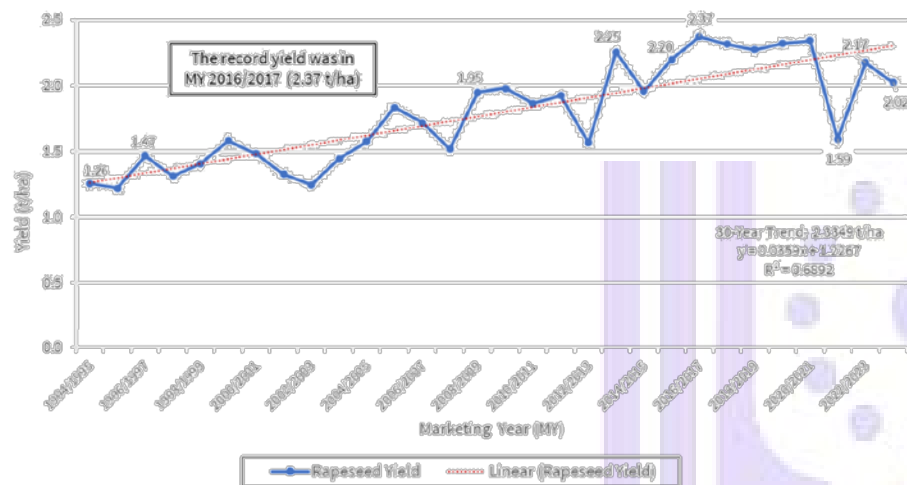
Canadian Canola Yield by Marketing Year

Canadian Prairies: Standardized Precipitation Index (SPI)

June 6 to August 5, 2023, 2-Month Average



Sources: NOAA CPC 2-Month Standardized Precipitation Index (SPI); Agriculture and Agri-Food Canada (AAFC), Annual Crop Inventory 2022 Crop Mask



12 October 2023 USDA FAS – USDA estimates Canada rapeseed production for marketing year (MY) 2023/24 at 17.8 mmmts, down 2% from last month, 5% from last year and 4% below the 5-year average. Harvested area is estimated at 8.8 million hectares, unchanged from last month, but up 2% from last year and 1% above the 5-year average. Yield is estimated at 2.02 metric tons per hectare (t/ha), down 2% from last month, 7% from last year, and 6% below the 5-year average.

This will be the third season in a row where dryness or drought has reduced rapeseed yields in Canada, as the last three marketing years (MY 2021/22, 2022/23 and 2023/24) hold the lowest yields among the previous nine seasons. The yield for all three seasons was below trend.

Statistics Canada recently published its model-based estimates for July and August, which indicated a substantial year-to-year reduction in yield and production. Limited rainfall in the southern and central Prairies during the summer months stressed crops and lowered yields, particularly in Saskatchewan, where over half of Canada's rapeseed crop is grown.

(For more information, please contact Aaron.Mulhollen@usda.gov.)

➤ **Global Rapeseed Crush Reduced On Lower Supply**

16 October 2023 USDA ERS - The MY 2023/24 global rapeseed production forecast is marginally lower this month by 0.1 mmmts to 85.0 mmmts on lower production in Canada, which is partially offset by a higher rapeseed crop in the European Union (EU). Global rapeseed trade is reduced by 0.5 mmmts to 17.0 mmmts for 2023/24 on lower exports from Canada and Russia. Rapeseed imports for Bangladesh, Japan, the EU, and Mexico are lowered this month on lower domestic demand.

Global rapeseed crush for MY 2023/24 is forecast at 81.1 mmmts, 0.3 mmmts lower than last month's forecast and marginally higher than estimated crush for MY 2022/23. The rapeseed crush forecast for Japan, Mexico, and Bangladesh is reduced this

month on lower domestic rapeseed oil and rapeseed meal demand. The global 2023/24 rapeseed ending stocks are marginally higher this month and estimated at 6.2 mmmts on higher rapeseed stocks in the EU.

The EU's rapeseed production is projected at 20 mmmts, 0.3 mmmts higher than last month's forecast on higher harvested acreage. Rapeseed harvested acreage is increased this month by 0.1 million hectares to 6.3 million hectares on higher area as reported by members of the EU. Rapeseed yields are forecast this month at 3.18 tons per hectare, marginally lower than last month. The higher-than-expected harvest area in the EU—especially in Poland—has contributed to a higher production forecast. The EU's rapeseed imports for MY 2023/24 are reduced by 0.2 mmmts to 5.2 mmmts on higher domestic supply. If realized, rapeseed imports would be the lowest since MY 2018/19. The EU's rapeseed crush forecast is unchanged this month and stands at 24.4 mmmts.

Canada's rapeseed production forecast for 2023/24 is lowered this month by 0.4 mmmts to 17.8 mmmts on lower yields. The yields are reduced this month by 2% to 2.02 tons per hectare. The harvest results in Canada's Prairie Provinces, particularly in Alberta and Saskatchewan, are lower than anticipated.

As a result of lower supply, Canada's rapeseed export forecast for MY 2023/24 is reduced by 0.4 mmmts to 7.5 mmmts. Rapeseed crush forecast is unchanged this month, supported by strong demand for rapeseed oil. Canada's rapeseed ending stocks for MY 2023/24 are estimated at 1.2 mmmts, unchanged from last month's forecast but 0.3 mmmts lower than estimated rapeseed stocks for MY 2022/23.

➤ **U.S. Canola Production Reduced on Lower Yield**

16 October 2023 USDA ERS - U.S. canola production is revised down 35 million pounds to 4.0 billion pounds, based on the most recent USDA, NASS Crop Production report. Canola harvested acreage is raised by 57,000 acres to 2.3 million from last month, while yields were lowered 59 pounds per acre to 1,741 pounds per acre.

Canola supplies are unchanged this month as lower production was offset by higher imports from Canada. The canola imports are forecast at 967 million pounds, up 30 million pounds from last month but down 24% from MY 2022/23. While the canola crush forecast for MY (June-May) 2023/24 remains unchanged, the MY (October-September) 2023/24 canola crush forecast is raised.

Total canola oil supplies for MY 2023/24 (October-September) are raised with higher beginning stocks and production. Canola oil use in biofuel is raised by 0.1 million pounds to 3.4 billion pounds, which is partially offset with a reduction in food use. Ending canola oil stocks for MY 2023/24 are nearly unchanged from last month.

➤ **ICE Canadian Canola Futures – Daily Nearby**



Source: <https://www.barchart.com/futures/quotes/RSX22/interactive-chart>

Prices in Canadian dollars per metric mt

ICE November 2023 Canola Futures settled on Friday at C\$694.40/mt, up C\$2.20 on the day, but down C\$25.60 for the week. The Jan24 contract settled at C\$704.40/mt, off 0.80 for the day. Intercontinental Exchange canola futures continued to drop back on Friday morning, adding to yesterday's sharp losses.

An analyst suggested on Thursday that, "the fundamental structure has changed" in the canola market, and noted the spreads were falling apart after tightening last week. Support from comparable oils was mixed with gains in Chicago soyoil and Malaysian palm oil, however European rapeseed was to the downside. Also, Chicago soybeans and soymeal were lower. Upticks in global crude oil prices were spilling over into the vegetable oils.

More scattered showers were forecast for the Prairies today, with temperatures beginning to recede to normal levels.

The Canadian Grain Commission reported producer deliveries of canola for the week ended Oct. 15 were 460,400 mts and higher than the previous week. Canola exports of 214,500 mts were also higher, as was domestic usage at 321,800.

Saskatchewan and Alberta are scheduled to release their crop reports later today, which will likely be each province's last for 2023.

Canola crush margins edged a little higher, further underpinning values.

The Canadian dollar gained ground on Friday morning as the Canadian "Loonie" rose to 73.12 U.S. cents compared to Thursday's close of 72.91.

➤ **China approves herbicide-tolerant GM canola product for import**

17 October 2023 by Reuters Staff - China's agriculture ministry said on Tuesday it has approved a genetically modified herbicide-tolerant canola product for import for a five-year period.

The product is a BASF herbicide-tolerant canola with the event name MS11, the ministry said in a notice on its website.

The crop has been cleared for import for processing in China from Sept. 28.

China allows the import of GM crops used in animal feed but trade partners say the process is not always based on science and is often driven by politics.

Beijing has a cautious approach to GM technology although President Xi Jinping has increasingly supported use of the technology that he has said is crucial for improving food security. (Reporting by Dominique Patton and Mei Mei Chu; Editing by Jacqueline Wong)

SUNFLOWERS

➤ World Sunflower Seed Supply & Demand Outlook

Oilseed, Sunflowerseed World as of October 2023							
Attribute	23/24 Oct'23	Change	23/24 Sep'23	22/23	21/22	20/21	19/20
Area Harvested (1000 HA)	28,433	+340(+1.21%)	28,093	27,967	28,546	26,756	25,790
Beginning Stocks (1000 MT)	4,392	-523(-10.64%)	4,915	7,943	2,459	2,879	2,776
Production (1000 MT)	56,423	+575(+1.03%)	55,848	52,424	56,858	48,846	53,799
MY Imports (1000 MT)	2,906	-600(-17.11%)	3,506	4,065	3,793	2,735	3,343
Total Supply (1000 MT)	63,721	-548(-.85%)	64,269	64,432	63,110	54,460	59,918
MY Exports (1000 MT)	3,094	-644(-17.23%)	3,738	4,298	3,911	2,900	3,687
Crush (1000 MT)	52,329	+895(+1.74%)	51,434	51,053	46,688	44,967	49,397
Food Use Dom. Cons. (1000 MT)	2,108	-125(-5.6%)	2,233	2,125	2,079	2,084	2,088
Feed Waste Dom. Cons. (1000 MT)	2,339	-354(-13.15%)	2,693	2,564	2,489	2,050	1,867
Total Dom. Cons. (1000 MT)	56,776	+416(+.74%)	56,360	55,742	51,256	49,101	53,352
Ending Stocks (1000 MT)	3,851	-320(-7.67%)	4,171	4,392	7,943	2,459	2,879
Total Distribution (1000 MT)	63,721	-548(-.85%)	64,269	64,432	63,110	54,460	59,918
Yield (MT/HA)	1.98	(-.5%)	1.99	1.87	1.99	1.83	2.09

Source: USDA PS&D

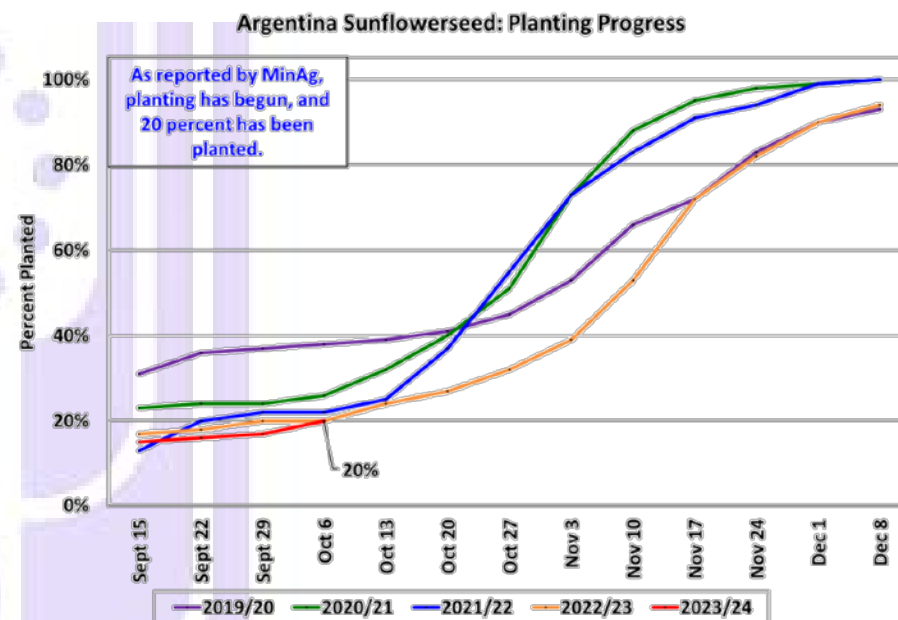
Global sunflowerseed distribution



➤ Argentina Sunflowerseed: Production Up Due to Higher Planted Area

12 October 2023 USDA FAS – Argentina sunflowerseed production for marketing year 2023/24 is forecast at 4.7 mmts, up 21% from last month, but down 6% from last year. Sunflowerseed yield is forecast at 2.04 tons per hectare, down slightly from last month and last year's yield. Harvested area is forecast at 2.3 million hectares (mha), up 21% from last month, but down 6% from last year.

According to the Argentina Ministry of Agriculture (MinAg), planting began in mid-September and by early October is about 20% complete. Planting will continue until early December. The MinAg provided an updated planted area forecast of 2.4 mha. USDA publishes harvested area that accounts for sunflowerseed abandonment, which is about 2% on average.



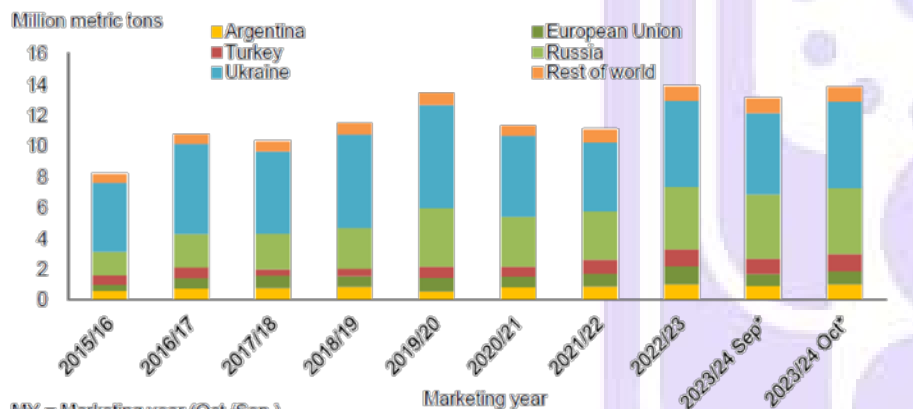
(For more information, please contact Katie.McGaughey@usda.gov.)

➤ Global Sunflowerseed Crush Increases on Higher Supply

16 October 2023 USDA ERS – Global sunflowerseed production for 2023/24 is forecast at 56.4 mmts, up 0.6 mmts from last month and 4.0 mmts higher than estimated sunflowerseed production for MY 2022/23. Larger crop estimates for Argentina more than offset the lower sunflowerseed crop in Kazakhstan. Argentina's sunflowerseed crop is raised by 0.8 mmts this month to 4.7 mmts on higher sown area. Global sunflowerseed crush forecast for MY 2023/24 is raised this month by 0.9 mmts to 52.3 mmts on higher sunflowerseed supply. The higher sunflowerseed crush volume is forecast in Argentina, Russia, and Ukraine. Argentina sunflowerseed crush for MY 2023/24 is forecast at 4.0 mmts, 0.4 mmts higher than last month's forecast and 0.5 mmts higher than the estimated crush for MY 2022/23. Russia's sunflowerseed and Ukraine's crush forecast are both raised this month by 0.4 mmts and 0.7 mmts, respectively, to 16.4 mmts and 14.0 mmts on higher sunflowerseed products demand. Notably, Ukraine's sunflowerseed crush for MY 2022/23 is estimated at 13.8 mmts, 0.8 mmts higher than last month's forecast and 3.0 mmts higher than the crush volume in MY 2021/22.

With a higher global sunflowerseed crush forecast for MY 2023/24, global sunflowerseed oil production in the MY 2023/24 is projected to reach 22.0 mmts, which is 0.4 mmts higher than last month's forecast and 0.5 mmts higher than last year. Russia and Ukraine are the leading producers of sunflowerseed oil and they are expected to contribute 30% and 27% of global production, respectively. Russia exports nearly 70% of the sunflowerseed oil production, whereas Ukraine exports over 90% of its sunflowerseed oil production. Consequently, global sunflowerseed oil trade for MY 2023/24 is raised this month by 0.7 mmts to 13.8 mmts with strong demand from India and the EU.

Sunflowerseed oil global trade by major exporters, MY 2015/16–2023/24



MY = Marketing year (Oct./Sep.)

Note: Asterisk (*) denotes forecast.

Source: USDA, Economic Research Service using data from USDA, Foreign Agricultural Service, *Production, Supply and Distribution* database.

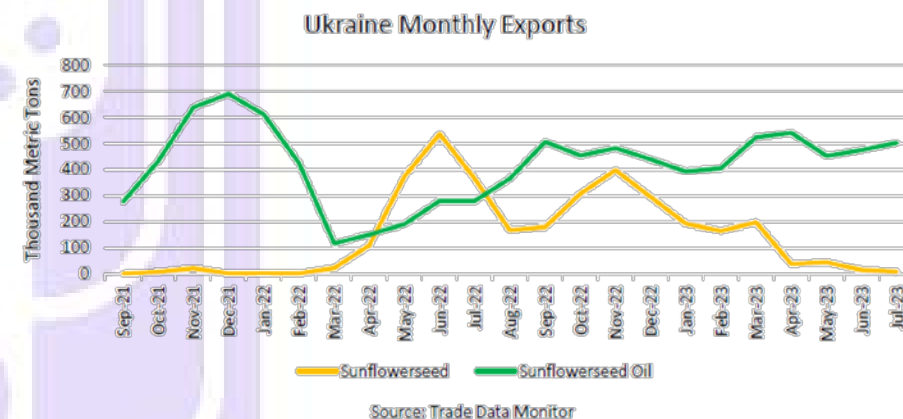
Ukraine's sunflowerseed oil exports for MY 2023/24 are raised this month by 0.3 mmts to 5.6 mmts. In addition, MY 2022/23 estimates for sunflowerseed oil exports are increased by 0.4 mmts to 5.6 mmts on higher year-to-date shipments. Ukraine's sunflowerseed oil exports accounted for 40% of the global sunflowerseed oil trade in MY 2022/23. Ukraine's sunflowerseed oil export price averaged \$770.00 per metric ton in September 2023, while Malaysian palm oil prices averaged \$833.00 per metric ton. Historically, sunflowerseed oil has traded at a premium to Malaysian palm oil. Russia's sunflowerseed oil export forecast is increased this month by 0.1 mmts to a record high of 4.3 mmts. Argentina's sunflowerseed oil exports are forecast to reach 1.0 mmts, 0.1 mmts higher than last month's forecast.

Global sunflowerseed meal production is also revised upwards this month by 0.3 mmts to 23.4 mmts. Consequently, the global sunflower meal export forecast for MY 2023/24 is raised to 9.4 mmts, 0.5 mmts higher than last month's forecast. Sunflowerseed meal imports for China, the EU, and Turkey are increased on higher domestic demand. China's sunflower meal imports for MY 2023/24 are forecast at a

record 3.5 mmts, 0.2 mmts higher than last month and 0.5 mmts higher than MY 2022/23.

Ukraine Sunflowerseed Oil Shipments Rebound in 2022/23

16 October 2023 USDA ERS – This month, the expectation for Ukraine sunflowerseed oil exports in 2022/23 (Sept/Aug) was revised upwards 0.4 mmts to 5.6 million. With this change, sunflower oil exports are roughly in line with levels seen prior to the invasion. Several shifting dynamics throughout the marketing year allowed Ukraine to achieve this volume of trade, including higher-than-anticipated sunflowerseed production and crush, trading partner policies, and strong demand for sunflowerseed oil from Asia.



Extraordinarily high sunflowerseed carryin from 2021/22 allowed Ukraine to crush at a strong pace. Ukraine exported an unprecedented amount of whole sunflowerseed to Europe during the first half of the marketing year due to the high supplies. However, after the Black Sea Grain Initiative allowed shipments of products to resume beginning in July 2022, shipments of sunflowerseed oil also picked up pace. In May 2023, several EU member states (and large crushers of sunflowerseed) placed bans on whole sunflowerseed imports which provided additional incentive for Ukraine to shift exports towards products as the former outlets for seed shipments tapered off.

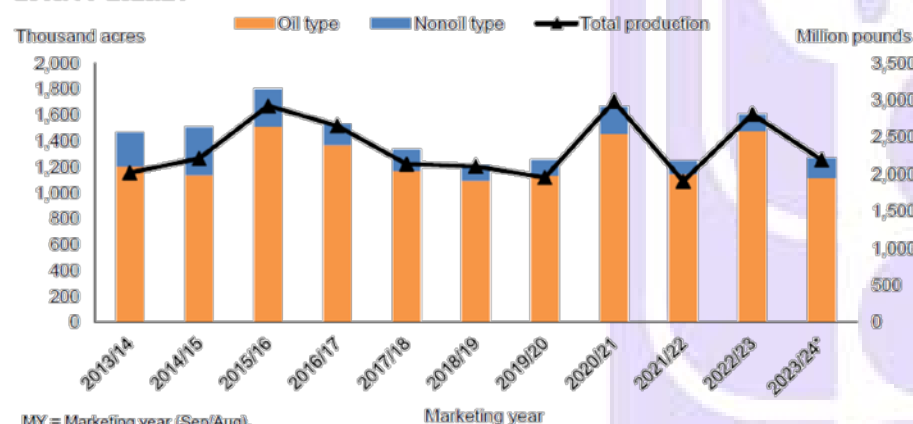
Towards the end of 2022/23, farmers were motivated to sell amid high transportation costs and cash shortages (AMS Ukraine Grain Transportation Report) and offered supplies at especially competitive prices. Sunflowerseed oil prices have fallen drastically (about 70%) from their post-invasion peak in March 2022 and are now trading at an unusual discount to other vegetable oils. The EU, Turkey, and India made large purchases from Ukraine in 2022/23, taking advantage of the discount pricing relative to other edible oils and abundant global supplies. In the EU and Turkey, a significant portion of the imports were also refined and re-exported to partners in Africa and the Middle East.

➤ **Lower Acreage and Yield Lowered US Sunflowerseed Output**

16 October 2023 USDA ERS – The USDA, NASS Crop Production report also reported 2023/24 sunflowerseed production on October 12th, 2023.

Sunflowerseed production was lowered by 76 million pounds to 2.2 billion pounds. This is 22% lower than 2022/23 production, but 15% higher than the drought-affected crop in MY 2021/22. U.S. sunflowerseed harvested acreage is lowered from last month to 1.3 million hectares, whereas yields are cut by 24 pounds per acre to 1,738 pounds per acre. Total sunflowerseed harvested acreage is down 26 million acres, with 70% of the cut coming from oil type sunflowerseed. This lower production forecast from last year is a result of a decrease in harvested acreage and lower yields, particularly in South Dakota, Kansas, and Texas.

U.S. sunflower harvested acreage by type and total production, MY 2013/14–2023/24



MY = Marketing year (Sep/Aug).

Note: An asterisk (*) represents forecast.

Source: USDA, Economic Research Service using data from USDA, National Agricultural Statistics Service, *Crop Production*, October 2023.

North Dakota and South Dakota account for over 80% of total sunflowerseed production on average. The weather conditions in this region significantly impacted total supply. According to the USDA, NASS Crop Progress report, North Dakota's sunflowerseed crop was rated 61% good-to-excellent as of October 1st, 2023, 1% lower than 2022/23. On the other hand, South Dakota's crop was rated 50% good-to-excellent. Sunflowerseed production in North Dakota is projected at 1 billion pounds, down 263 million pounds from MY 2022/23 and driven by lower area harvested partially offset with higher yields. South Dakota's production is projected at 0.8 billion pounds, down 294 million pounds (27%). The sunflower yield in South Dakota is forecast at 1,668 pounds per acre, down 4% from last year.

In the most recent USDA, NASS Grain Stocks report, September 1 sunflowerseed stocks were reported at 367 million pounds, up 73 million pounds from MY 2022/23. Oil type sunflower stocks accounted for 93% of the total. Overall supply is lowered to

2.9 billion pounds as lower production is only partially offset by higher stocks. This lower production led to a cut in sunflowerseed exports and other use. Sunflowerseed export forecast for MY 2023/24 is reduced by 20 million pounds to 115 million pounds. Sunflowerseed crush for MY 2023/24 is forecast at 1.1 billion pounds, down 13% from MY 2022/23 on lower supplies. Ending stocks are forecast to reach 274 million pounds, down 19 million pounds from last month.

VEGETABLE OILS

➤ World Soybean Oil Supply & Demand Outlook

Oil, Soybean World as of October 2023							
Attribute	23/24 Oct'23	Change	23/24 Sep'23	22/23	21/22	20/21	19/20
Crush (1000 MT)	328,491	+752(+.23%)	327,739	312,573	314,503	316,036	312,656
Extr. Rate, 999.9999 (PERCENT)	0.19	-	0.19	0.19	0.19	0.19	0.19
Beginning Stocks (1000 MT)	4,958	+36(+.73%)	4,922	4,852	5,528	5,507	4,889
Production (1000 MT)	61,753	+146(+.24%)	61,607	58,895	59,271	59,314	58,551
MY Imports (1000 MT)	10,760	+80(+.75%)	10,680	10,581	11,533	11,804	11,545
Total Supply (1000 MT)	77,471	+262(+.34%)	77,209	74,328	76,332	76,625	74,985
MY Exports (1000 MT)	11,697	+75(+.65%)	11,622	11,355	12,256	12,611	12,384
Industrial Dom. Cons. (1000 MT)	13,571	+187(+1.4%)	13,384	12,276	11,876	11,224	11,193
Food Use Dom. Cons. (1000 MT)	46,919	+286(+.61%)	46,633	45,674	47,283	47,182	45,796
Feed Waste Dom. Cons. (1000 MT)	70	-5(-6.67%)	75	65	65	80	105
Total Dom. Cons. (1000 MT)	60,560	+468(+.78%)	60,092	58,015	59,224	58,486	57,094
Ending Stocks (1000 MT)	5,214	-281(-5.11%)	5,495	4,958	4,852	5,528	5,507
Total Distribution (1000 MT)	77,471	+262(+.34%)	77,209	74,328	76,332	76,625	74,985

Source: USDA PS&D

➤ USDA – Argentina Soybean Oil

Oil, Soybean Argentina as of October 2023							
Attribute	23/24 Oct'23	Change	23/24 Sep'23	22/23	21/22	20/21	19/20
Crush (1000 MT)	34,500	-	34,500	30,250	38,825	40,162	38,770
Extr. Rate, 999.9999 (PERCENT)	0.20	-	0.20	0.20	0.20	0.20	0.20
Beginning Stocks (1000 MT)	350	+25(+7.69%)	325	523	299	548	427
Production (1000 MT)	6,814	-	6,814	5,977	7,664	7,930	7,700
MY Imports (1000 MT)	0	-	0	0	93	0	0
Total Supply (1000 MT)	7,164	+25(+.35%)	7,139	6,500	8,056	8,478	8,127
MY Exports (1000 MT)	4,400	-	4,400	4,100	4,873	6,137	5,404
Industrial Dom. Cons. (1000 MT)	1,900	+50(+2.7%)	1,850	1,600	2,150	1,550	1,690
Food Use Dom. Cons. (1000 MT)	450	-25(-5.26%)	475	450	510	492	485
Feed Waste Dom. Cons. (1000 MT)	0	-	0	0	0	0	0
Total Dom. Cons. (1000 MT)	2,350	+25(+1.08%)	2,325	2,050	2,660	2,042	2,175
Ending Stocks (1000 MT)	414	-	414	350	523	299	548
Total Distribution (1000 MT)	7,164	+25(+.35%)	7,139	6,500	8,056	8,478	8,127

Source: USDA PS&D

➤ Argentina's soy crushers face 'disaster' as bean shortage sharpens

5 October 2023 by Maximilian Heath, Reuters - Argentina's giant soybean processing plants are running out of soybeans after a historic drought cut the crop in half, the head of the country's grains export chamber told Reuters, and this will leave well over two-thirds of factory capacity idle.

For years, the South American country was the world's top exporter of processed soy oil and meal. Its crown slipped this year after its crop was ravaged and as the indebted government has pushed exports of beans to bring in dollars.

"We are in a disastrous year," said Gustavo Idigoras, president of the grain exporters and crushing chamber CIARA-CEC, adding he expected idle capacity at the country's crushing plants along the Parana river to shoot past the current 65%.

"Idle capacity could grow significantly," he said, pointing out that the next soy harvest would not be until April and there would likely be just 3 mmts of soybeans left by the end of the month to last until then.

"With those 3 mmts we have to survive until May 2024," he said. "We want to turn the page to see if next year we get a better climate and higher farm production."

The likely increase in idle capacity will hit major grains traders such as Bunge and Cargill in Argentina, and has opened the door to rival producers. Neighbor Brazil, which had a bumper season, has overtaken Argentina for soymeal exports.

The drought, which dragged Argentina's 2022/23 soy harvest down to around 20 mmts, has forced the country to import a record number of soybeans from regional neighbors Paraguay, Bolivia and Brazil to keep its crushing factories open.

"Argentina may total 10 mmts of (soy) imports this year," Idigoras said, a new estimate. Government data show a record 8.2 mmts of soy imports until August, already over the 6.4 mmts for the entire drought-hit 2018.

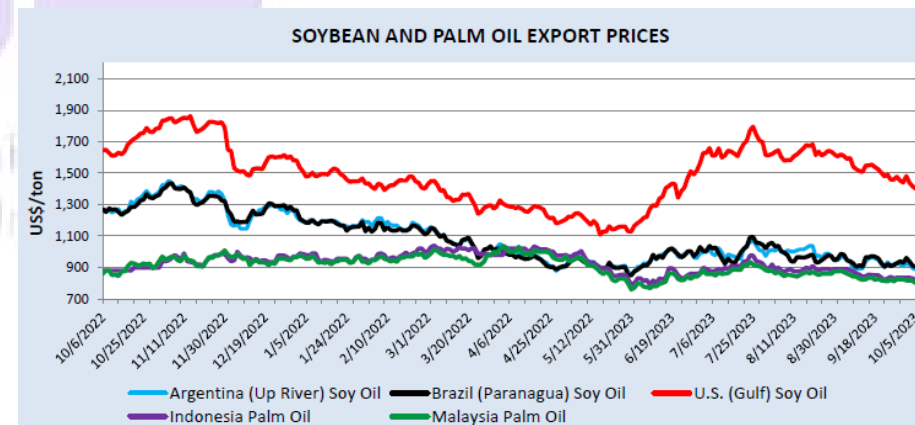
According to the Ministry of Agriculture, between January and August the volume of crushed soybeans in Argentina fell 27% year-on-year to 19.6 mmts, the lowest figure for that period in official records that go back to 2015.

Idigoras added that he did not expect any officially declared wheat sales in the months ahead for the 2023/24 harvest as agreed shipments from the previous campaign are finally fulfilled. Exporters had been allowed to delay them due to the drought.

Last season's wheat harvest was cut in half to some 11.5 mmts, according to the local Rosario grains exchange, which estimates a better 15 mmts for the current season.

"There are no new (export) records, but there are records that have been rescheduled from the old campaign. That is why we won't see new records in the coming months," Idigoras said.

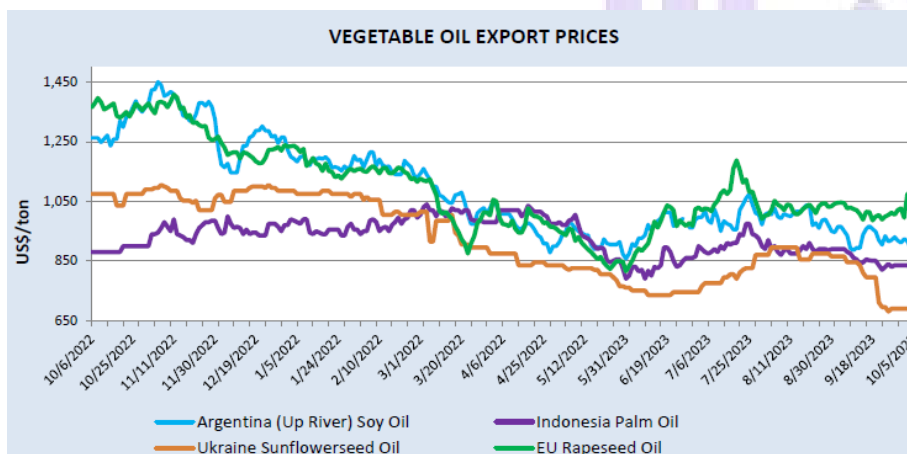
World Vegetable Oil Prices



September 2023 Soybean and Palm Oil Export Prices

	U.S. Gulf FOB	Argentina Up River FOB	Brazil Paranagua FOB	Indonesia Palm Oil	Malaysia Palm Oil
September Avg Price	\$ 1,523/ton	\$ 928/ton	\$ 939/ton	\$ 852/ton	\$ 833/ton
Change vs August	- \$ 104/ton	- \$ 69/ton	- \$ 39/ton	- \$ 37/ton	- \$ 28/ton

Source: International Grains Council; all prices are FOB: U.S. Gulf, Argentina Up River, Brazil Paranagua.



➤ USDA – U.S. Soybean Oil

Oil, Soybean United States as of October 2023							
Attribute	23/24 Oct'23	Change	23/24 Sep'23	22/23	21/22	20/21	19/20
Crush (1000 MT)	62,596	+272(+.44%)	62,324	60,199	59,980	58,257	58,910
Extr. Rate, 999.9999 (PERCENT)	0.20	-	0.20	0.20	0.20	0.19	0.19
Beginning Stocks (1000 MT)	799	-45(-5.33%)	844	903	967	840	805
Production (1000 MT)	12,258	+52(+.43%)	12,206	11,914	11,864	11,350	11,299
MY Imports (1000 MT)	181	-	181	170	137	137	145
Total Supply (1000 MT)	13,238	+7(+.05%)	13,231	12,987	12,968	12,327	12,249
MY Exports (1000 MT)	159	-	159	168	803	786	1,287
Industrial Dom. Cons. (1000 MT)	5,806	+137(+2.42%)	5,669	5,488	4,708	4,046	3,927
Food Use Dom. Cons. (1000 MT)	6,485	-92(-1.4%)	6,577	6,532	6,554	6,528	6,195
Feed Waste Dom. Cons. (1000 MT)	0	-	0	0	0	0	0
Total Dom. Cons. (1000 MT)	12,291	+45(+.37%)	12,246	12,020	11,262	10,574	10,122
Ending Stocks (1000 MT)	788	-38(-4.6%)	826	799	903	967	840
Total Distribution (1000 MT)	13,238	+7(+.05%)	13,231	12,987	12,968	12,327	12,249

Source: USDA PS&D

➤ US shifts to net soybean oil importer on biofuel boom

20 October 2023 USDA FAS by Samyak Pandey, Editor Richard Rubin -

HIGHLIGHTS

- Soybean oil production raised to 12.25 mmts
- Raw bean crushing pegged at 62.59 mmts

- Ending stocks estimates of soybean oil down by 38,000 mt

A surge in US biofuel demand will flip its domestic soybean oil trade and make it a net importer in MY 2023-24 (September-August) for the second consecutive year, the US Foreign Agricultural Service said October 12th.

US soybean oil derivative exports for MY 2023-24 was estimated in FAS' latest report at 159,000 mt, against imports of 181,000 mt, again making the country a net importer of soybean oil. The US' consumption of soybean oil projection has also been revised upwards to 12.29 million mt from 12.02 million mt, primarily led by usage in biofuels.

According to the FAS, increased in renewable diesel production driven by low-carbon fuel mandates has led to growing domestic demand for soybean oil, suppressing exports and pushing US out of global export market. The US became a net importer of soybean oil for the first time in history in 2022-23 by a slight margin, when imports stood at 170,000 mt against exports of 168,000 mt. The shifts came amid higher Environmental Protection Agency multiyear biofuel blending targets.

The US Department of Agriculture in its World Agricultural Supply and Demand Estimates report, also released Oct. 12, projected increase domestic usage of soybean oil for biofuels to 12.8 billion lb from 12.5 billion lb over the USDA's September estimates.

According to data released Sept. 29 by the US Energy Information Administration, 1.273 billion lb of soybean oil went to US biofuels production in July, including 679 million lb consumed by biodiesel plants and 594 million lb consumed by renewable diesel producers. Total soybean oil consumption was at 1.207 billion lb in June, including 627 million lb consumed for biodiesel production and 580 million lb consumed for renewable diesel production, and at 956 million lb in July 2022, including 626 million lb consumed by biodiesel facilities and 331 million lb consumed by renewable diesel producers.

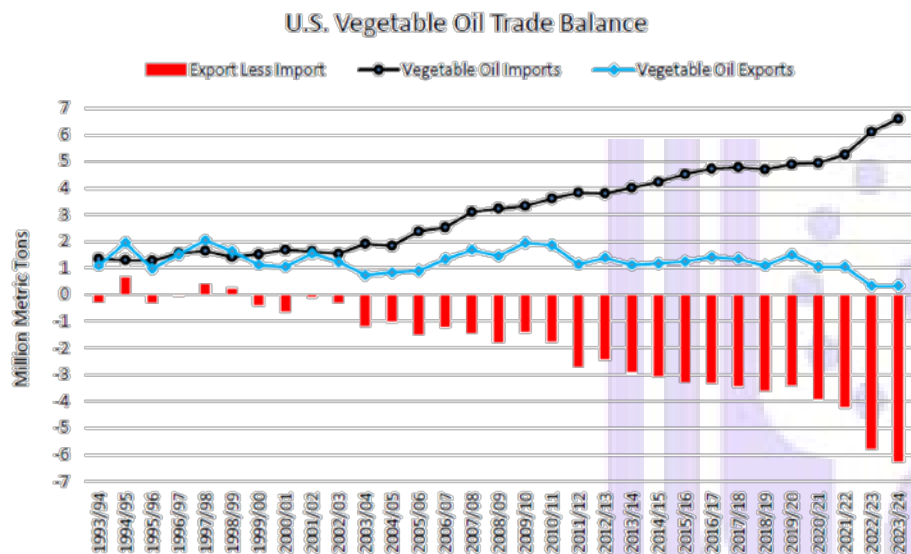
However, FAS cited new crushing facilities and expansion of existing facilities may increase domestic supplies of soybean oil. Domestic soybean crushing in US was pegged at 62.59 million mt in MY 2023-23, up from 60.19 million mt in the previous market year.

Soybean oil output was estimated at 12.25 million mt from 11.91 million mt year over year. The total supply of oil derivative was also up by almost 1 million mt, to 13.23 million mt.

According to the FAS report, incentive driven change in biofuel policies has also pushed purchase of other vegetable oil feedstocks such as canola oil, tallow, and used cooking oil.

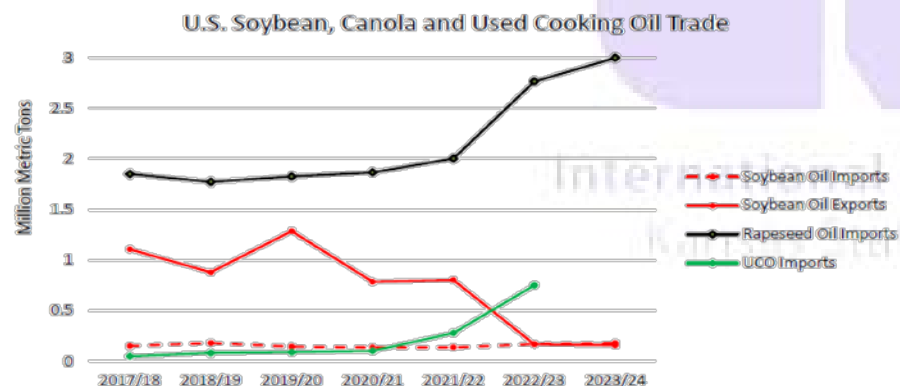
"US canola oil imports have skyrocketed in 2022/23 and are projected to grow even further in 2023/24," the FAS said. "The share of Canada canola exports that went to the United States increased from an average 56% from 2018-2021 to 88% in the first 8 months of 2023."

➤ **Biodiesel Policies Suppress U.S. Soybean Oil Exports**



Source: FAS-PSD (aggregate of the following vegetable oils: soybean, rapeseed, sunflowerseed, coconut, cottonseed, palm, palm kernel, peanut, and olive)

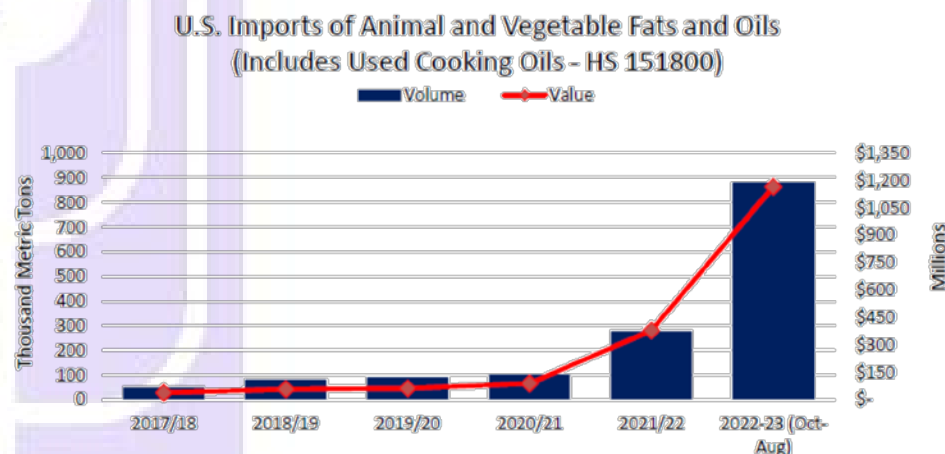
12 October 2023 USDA FAS – Growing U.S. demand for soybean oil driven by low-carbon fuel mandates will continue to suppress soybean oil exports in 2023/24, widening the trade gap and pushing the United States out of the global soybean oil export market. U.S. production of renewable diesel grew significantly in recent years. While new crushing facilities and expansion of existing facilities may increase domestic supplies of soybean oil, higher biomass-based diesel demand in the United States has caused major shifts in vegetable oil imports.



Source: PSD and GATS, FAS USDA

Until recently, the United States was a major supplier of soybean oil to the world. Exports peaked at 1.5 mmts in 2009/10 and averaged 1.0 mmts between 2010-2021. In 2022/23, U.S. soybean oil exports fell drastically to only 0.2 mmts. At the same time, soybean oil imports surpassed exports, making the United States a net importer of soybean oil for the first time in history. Those shifts came as the U.S. Environmental Protection Agency (EPA) finalized higher multiyear biofuel blending targets.

The change in biofuel policies also lured imports of other feedstocks such as canola oil, tallow, and used cooking oil. U.S. canola oil imports have skyrocketed in 2022/23 and are projected to grow even further in 2023/24. The share of Canada canola exports that went to the United States increased from an average 56% from 2018-2021 to 88% in the first 8 months of 2023. Other importers, like China, shifted to rapeseed oil imports from Russia and Belarus instead of Canada. In 2023/24, U.S. rapeseed oil imports are projected to reach a new record of 3.0 mmts.



Source: GATS, FAS USDA

Higher domestic vegetable oil prices and a strong U.S. dollar encouraged imports of used cooking oil (UCO) to meet domestic biofuel demand. In 2022/23 (October-August), imports of commodities under harmonized system heading 1518.00 (Processed animal, vegetable oils, industrial preps nesoi) reached nearly 882,000 tons, valued at nearly \$1.2 billion. The majority of those imports came from China (37%) and Canada (27%). This trend is likely to continue into the next marketing year.

➤ **Vegoil imports partly fill in for thinning US soyoil stocks -Braun**

18 October 2023 by Karen Braun, Reuters - U.S. soybean oil supplies have declined significantly in the last couple of months, but so have prices, which is counterintuitive.

Increasing volumes of vegetable oil being imported could at least partially explain this.

National Oilseed Processors Association (NOPA) data on Monday revealed U.S. soybean oil stocks among NOPA members totaled 1.108 billion pounds as of Sept. 30. That was below all trade estimates, the lowest for any month since December 2014 and 24% below the year-ago levels.

A mid-year drawdown of U.S. soyoil stocks is common, but this year's pace is unusual. Stocks fell 41% between June and September, the most for those four months since 2014, when stocks declined 52%. The recent five-year average is 13%.

September 30th soyoil stocks held by NOPA members, which account for around 95% of U.S. soybean processing, were also unusually small compared with annual demand expectations.

The U.S. Department of Agriculture projects total domestic soybean oil use at a record 27.45 billion pounds in 2023-24, which began Oct. 1.

NOPA's end-of-September stocks represent 14.7 days of use, the lowest in more than a decade. That compares with 19.8 days a year ago and an average of 21.5 days.

FALLING PRICES - Prices may not be reflecting a critically tight U.S. soyoil situation.

The most actively traded Chicago soybean oil futures are at three-year lows for the date, down 20% from a year ago. Futures have slid more than 15% during the last two months, which is when soyoil stocks started to deviate substantially from normal levels.

Lack of movement in calendar spreads do not indicate escalating supply urgency, either. Nearby CBOT soybean oil futures contracts are stronger than deferred ones, but the inverses are largely the same as they were two months ago.

Also noteworthy is the price dive for biomass-based (D4) credits, which reached three-year lows last week, falling as much as 45% since early September. Soybean oil is the main feedstock for U.S. biofuel and renewable diesel production, which generate D4 credits known as RINs (Renewable Identification Numbers).

RINs help ensure refiners' and importers' compliance with U.S. biofuel blending laws. U.S. soybean oil futures traded to all-time highs in 2021 and then again in 2022 as low-carbon fuel mandates were seen rapidly expanding U.S. soyoil demand and production, but the legislated blending volumes have been relatively disappointing.

RISING IMPORTS - U.S. soybean oil stocks may be falling, but both the reduction in exports and influx of vegetable oil from overseas have been somewhat offsetting.

U.S. soybean oil exports are seen at all-time lows in 2023-24, accounting for about 1% of global trade.

Additionally, the United States in 2022-23 became a net importer of soybean oil for the first time ever, though actual soyoil imports have not drastically increased.

Higher U.S. vegetable oil prices, especially in 2022, encouraged imports of soyoil alternatives such as canola oil and used cooking oil to meet domestic biofuel demand. USDA data shows that 2022-23 U.S. canola oil imports surged 38% on the year to a record 2.8 mmts.

Imports of animal and vegetable fats and oils, including used cooking oil, was up almost 240% on the year, reaching 882,000 tons through the first 11 months of 2022-23. China was the largest supplier, accounting for 37%.

For 2022-23, the year-on-year increase in imports among canola oil, used cooking oil and other similar vegoils was worth about 1.4 mmts. That compares with estimated 2022-23 U.S. soybean oil use at 12.2 mmts.

USDA sees U.S. soyoil ending stocks at a seven-year low in 2023-24 with the lightest stocks-to-use in a decade. But the agency expects the increasing import trend of alternative vegoils to continue over the next year, maintaining competition with domestic soybean oil.

USDA also projects U.S. soybean processing will reach record volumes in 2023-24 despite a disappointing soybean crop, supporting the notion that biofuel policies are shifting U.S. soybean use more toward domestic consumption and away from exports.

➤ **CME Soybean Oil – Nearby Daily**



Source: Barchart <https://www.barchart.com/futures/quotes/ZLU22/interactive-chart>

CME December 2023 Soybean Oil Futures settled on Friday at \$53.39/cwt, up \$0.28 on the day, but losing \$0.99 cents for the week. Soybean Oil prices ended the last trade day of the week off the highs but still 2 to 28 points in the black. That limited the week's pullback to 99 points for the Dec23 contract with the fifth consecutive red candle on the weekly continuation chart.

➤ **Rabobank says SAF Props Up Biofuels but Future Limited**

Ethanol and biodiesel production has been a catalyst for economic growth in rural America for the past 15-plus years, but biofuels' future may rely heavily on the continued rise of sustainable aviation fuel (SAF) production, according to a new report from ag financier Rabobank and reporting by *DTN's Progressive Farmer*.

"With reduced demand for terrestrial liquid fuels, SAFs offer the agricultural sector a much-needed alternative with the potential to extend the runway for liquid biofuels and the higher prices conferred to commodity feedstocks as a result," Rabobank writes.

U.S. SAF plants currently produce about 25 million gallons per year, with production capacity expected to rise to 2.2 billion gallons by 2026. That would be equivalent to 15 billion pounds of soybean oil demand and 1.8 billion bushels of corn demand if SAF production hits its full potential.

However, the report states that to achieve President Biden's goal of 34 billion gallons of SAF production by 2050 using only soybeans or corn would "require hundreds of millions of acres of agricultural land that is simply unavailable."

"Meanwhile," the report says, "current research suggests that 1 acre of solar panels could, in theory, produce upward of 7,000 gallons of SAFs, depending on photo electrochemical conversion rates and syngas tuning, in which case all SAF production could take place on fewer than 5 million acres."

➤ **USDA – World Palm Oil Supply & Demand Outlook**

Oil, Palm World as of October 2023							
Attribute	23/24 Oct'23	Change	23/24 Sep'23	22/23	21/22	20/21	19/20
Area Harvested (1000 HA)	27,117	-	27,117	26,519	25,384	24,788	24,468
Beginning Stocks (1000 MT)	16,931	+107(+.64%)	16,824	15,989	14,889	15,885	14,937
Production (1000 MT)	79,464	-	79,464	77,576	72,964	73,277	73,111
MY Imports (1000 MT)	48,797	-155(-.32%)	48,952	47,928	41,702	46,845	47,029
Total Supply (1000 MT)	145,192	-48(-.03%)	145,240	141,493	129,555	136,007	135,077
MY Exports (1000 MT)	50,938	-127(-.25%)	51,065	49,715	43,970	48,536	48,355
Industrial Dom. Cons. (1000 MT)	26,893	+480(+1.82%)	26,413	25,705	22,909	23,509	23,104
Food Use Dom. Cons. (1000 MT)	50,622	-342(-.67%)	50,964	48,406	46,028	48,373	47,028
Feed Waste Dom. Cons. (1000 MT)	712	+15(+2.15%)	697	736	659	700	705
Total Dom. Cons. (1000 MT)	78,227	+153(+.2%)	78,074	74,847	69,596	72,582	70,837
Ending Stocks (1000 MT)	16,027	-74(-.46%)	16,101	16,931	15,989	14,889	15,885
Total Distribution (1000 MT)	145,192	-48(-.03%)	145,240	141,493	129,555	136,007	135,077
Yield (MT/HA)	2.93	-	2.93	2.93	2.87	2.96	2.99

Source: USDA PS&D

➤ **Malaysia's Oct 1-20 palm oil exports at 934,014 mts**

20 October 2023 - by Danial Azhar, Reuters - Cargo surveyor Societe Generale de Surveillance (SGS) estimates exports of Malaysian palm oil products for October 1-20 at 934,014 metric tons, according to LSEG.

➤ **Cargoes begin trading on Indonesia's ICDX crude palm oil exchange**

20 October 2023 Reuters - The first trading began on Friday on Indonesia's palm oil exchange, part of an effort by the world's biggest producer of the vegetable oil to create credible benchmark prices.

Four lots of 25 metric tons of physical crude palm oil (CPO) traded on Friday at 11,305 rupiah (\$0.7130) per kg when the Indonesia Commodity and Derivatives Exchange (ICDX) opened, an ICDX official said. The shipments are for delivery to the port of Dumai in Sumatra in 15 days.

Friday was the first day that the ICDX offered spot pricing and 18 companies were expected to participate, exchange CEO Nursalam told Reuters.

Futures contracts for CPO will be offered later, said Nursalam, who has a single name like many Indonesians.

The exchange is providing three trading sessions daily, said a second ICDX official.

"The main point is the exchange will create a transparent and organized trade," said Didid Noordiatmoko, head of Indonesia's commodity trade regulator BAPPEBTI.

Indonesia is targeting for the market to form a reference price by the first quarter of next year to rival those in Kuala Lumpur and Rotterdam.

The trade through the exchange is currently voluntary. Most Indonesian palm oil exporters typically trade directly with buyers. (\$1 = 15,855.0000 rupiah)

➤ **CME Palm Oil – Nearby Weekly**



Source: Barchart <https://www.barchart.com/futures/quotes/ZLU22/interactive-chart>

CME December 2023 Palm Oil Futures settled on Friday at \$794.00/mt, up \$1.75 on the day, but losing \$4.25 cents for the week.

➤ **Palm logs weekly gain on strong exports, crude oil prices**

20 October 2023 by Dewi Kurniawati, Reuters – Malaysian palm oil futures posted a weekly gain on Friday as strong export data and rising crude oil prices offset largely weaker rival oils.

The benchmark palm oil contract for January delivery on the Bursa Malaysia Derivatives Exchange rose 13 ringgit, or 0.35% to 3,771 ringgit (\$791.40) a metric ton, and ended the week up 0.35%.

“Palm prices were under pressure throughout the day but trimmed losses to close marginally higher on promising exports but uncertain production outlook,” said Sathia Varqa, senior analyst with Fastmarkets Palm Oil Analytics.

Exports of Malaysian palm oil products for Oct. 1-20 estimated to rose between 7.9% and 9.9%, data from AmSpec Agri Malaysia and Intertek Testing Services showed.

Dalian’s most-active soyoil contract fell 1.36%, while its palm oil contract was down 1.82%. Soyoil prices on the Chicago Board of Trade were up 0.76%.

Palm oil is affected by price movements in related oils as they compete for a share in the global vegetable oils market.

Stronger crude oil prices amid heightened fears that the Israel-Gaza crisis may spread and disrupt supply from one of the world’s top-producing regions, also supported prices.

“Bullish momentum in crude oil and a persistent coverage from India and China has limit the downside in palm oil futures, said Anilkumar Bagani, commodity research head at Mumbai-based Sunvin group.

Indonesia’s palm oil exchange began the first trading of crude palm oil spot contract on Friday, part of an effort by the world’s biggest producer of the oil to create credible benchmark prices.

Palm oil may retrace further to 3,682 ringgit per metric ton, to complete a pullback towards a falling trend line, said Reuters technical analyst Wang Tao.

(\$1 = 4.6550 ringgit)

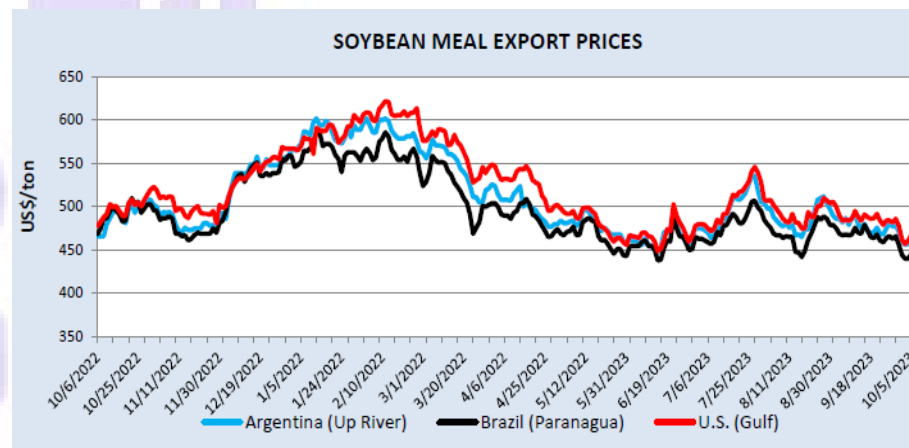
PLANT PROTEIN MEALS

➤ **World Soybean Meal Supply & Demand Outlook**

Meal, Soybean World as of October 2023							
Attribute	23/24 Oct'23	Change	23/24 Sep'23	22/23	21/22	20/21	19/20
Crush (1000 MT)	328,494	+752(+.23%)	327,742	312,576	314,506	316,039	312,661
Extr. Rate, 999.9999 (PERCENT)	0.79	-	0.79	0.79	0.78	0.79	0.79
Beginning Stocks (1000 MT)	13,408	+119(+.9%)	13,289	16,701	16,535	17,038	16,629
Production (1000 MT)	257,877	+580(+.23%)	257,297	245,839	246,752	248,351	245,604
MY Imports (1000 MT)	66,764	-145(-.22%)	66,909	63,055	67,322	65,360	63,323
Total Supply (1000 MT)	338,049	+554(+.16%)	337,495	325,595	330,609	330,749	325,556
MY Exports (1000 MT)	69,725	-166(-.24%)	69,891	66,775	68,838	69,433	67,942
Industrial Dom. Cons. (1000 MT)	1,370	-	1,370	1,372	1,332	1,367	1,377
Food Use Dom. Cons. (1000 MT)	852	-	852	821	796	741	671
Feed Waste Dom. Cons. (1000 MT)	250,718	+493(+.2%)	250,225	243,219	242,942	242,673	238,528
Total Dom. Cons. (1000 MT)	252,940	+493(+.2%)	252,447	245,412	245,070	244,781	240,576
Ending Stocks (1000 MT)	15,384	+227(+1.5%)	15,157	13,408	16,701	16,535	17,038
Total Distribution (1000 MT)	338,049	+554(+.16%)	337,495	325,595	330,609	330,749	325,556
SME (1000 MT)	250,718	+493(+.2%)	250,225	243,219	242,942	242,673	238,528

Source: USDA PS&D

World Soybean Meal Prices



September 2023 Soybean Meal Export Prices

	U.S. Gulf FOB	Argentina Up River FOB	Brazil Paranagua FOB
September Avg Price	\$ 487/ton	\$ 478/ton	\$ 467/ton
Change vs August	- \$ 8/ton	- \$ 9/ton	- \$ 2/ton

Source: International Grains Council. All prices are FOB: U.S. Gulf, Argentina Up River, and Brazil Paranagua.

Spot Soymeal Export Prices (As of October 19, 2023) Source: Agricensus

U.S. FOB Gulf,	\$517.25/mt	+\$13.50
Brazil, FOB Paranagua,	\$498.25/mt	+11.00
Argentina, FOB Up-River	\$522.50/mt	+\$15.00

➤ **Argentina Soybean Meal Supply & Demand Outlook**

Meal, Soybean Argentina as of October 2023							
Attribute	23/24 Oct'23	Change	23/24 Sep'23	22/23	21/22	20/21	19/20
Crush (1000 MT)	34,500	-	34,500	30,250	38,825	40,162	38,770
Extr. Rate, 999.9999 (PERCENT)	0.78	-	0.78	0.78	0.78	0.78	0.78
Beginning Stocks (1000 MT)	2,117	+100(+4.96%)	2,017	2,797	2,289	2,568	2,988
Production (1000 MT)	26,910	-	26,910	23,595	30,287	31,320	30,240
MY Imports (1000 MT)	10	-	10	75	135	1	1
Total Supply (1000 MT)	29,037	+100(+.35%)	28,937	26,467	32,711	33,889	33,229
MY Exports (1000 MT)	23,400	-	23,400	20,950	26,589	28,325	27,461
Industrial Dom. Cons. (1000 MT)	0	-	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	0	-	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	3,450	-	3,450	3,400	3,325	3,275	3,200
Total Dom. Cons. (1000 MT)	3,450	-	3,450	3,400	3,325	3,275	3,200
Ending Stocks (1000 MT)	2,187	+100(+4.79%)	2,087	2,117	2,797	2,289	2,568
Total Distribution (1000 MT)	29,037	+100(+.35%)	28,937	26,467	32,711	33,889	33,229
SME (1000 MT)	3,450	-	3,450	3,400	3,325	3,275	3,200

Source: USDA PS&D

➤ **CME CBOT Soybean Meal – Daily Nearby**



Source: Barchart <https://www.barchart.com/futures/quotes/ZMU22/interactive-chart>

CME December 2023 Soybean Meal Futures, settled on Friday at \$423.90/short ton, up \$0.90 on the day, and gaining \$33.90/short ton for the week.

➤ **Soybean Meal Export Prices (FOB, US\$/mt) as of 20th October 2023**

CIF SOYBEAN MEAL	10/19/2023	10/20/2023	
OCT	35 / 50	52 / -	Z
NOV	35 / 40	50 / 55	Z
DEC	35 / 40	45 / 50	Z
JAN	25 / 33	31 / 42	H
FEB	25 / 33	31 / 42	H
MAR	25 / 33	25 / 37	H

➤ **DDG's – Prices were slightly higher on average for the week**

20 October 2023 Mary Kennedy, DTN – The DTN average price for domestic distillers dried grains (DDG) from 33 locations reporting for the week ended Oct. 19 was mixed but slightly higher, up \$1 at \$195 per ton on average from one week ago. The corn futures had a good week, bumping up the cash price, which is supportive to DDG prices. The DTN National Corn Index is up 12 cents versus one week ago.

Based on the average of prices collected by DTN, the value of DDG relative to corn for the week ended Oct. 19 was 1.08%. The value of DDG relative to soybean meal was 46.10 and the cost per unit of protein for DDG was \$7.22 compared to the cost per unit of protein for soybean meal at \$8.91.

➤ **VALUE OF DDG VS. Corn & Soybean Meal** (As of 19th of October 2023)

Settlement Price:	Quote Date	Bushel	Short Ton
Corn	10/19/2023	\$5.0500	\$180.3572
Soybean Meal	10/19/2023		\$423.00
DDG Weekly Average Spot Price	10/19/2023		\$195.00
DDG Value Relative to:		10/19	10/12
Corn		1.08%	1.13%
Soybean Meal		46.10%	48.84%
Cost Per Unit of Protein:			
DDG		\$7.22	\$7.19
Soybean Meal		\$8.91	\$8.

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.

ENERGY & ETHANOL

➤ CME Ethanol Futures – Weekly Nearby



Source: Barchart <https://www.barchart.com/futures/quotes/FLV22/interactive-chart>

CME Nearby Ethanol December 2023 settling on Friday at \$2.33000/gallon.

November WTI crude oil (CLX23) on Friday closed down -0.62 (-0.69%), and Nov RBOB gasoline (RBX23) closed up +1.19 (+0.50%).

The weekly USDA Ethanol Report showed ethanol cash prices were mostly unchanged to 13 cents weaker to \$2.06 to \$2.39/gal. DDGS were mostly \$5 lower to \$20 weaker to \$175 to \$200/ton regionally. The corn oil market was mostly 2 to 8 cents lower from 56 to 70 cents per pound.

The Energy Information Administration (EIA) at midweek reported for the week ended October 13th overall ethanol production in the United States averaged 1.035 million barrels per day (bpd), up 31,000 bpd week-on-week and 19,000 bpd, or 1.8%, higher than in the same week last year. Four-week average output, at 1.014 million bpd, was 91,000 bpd above the same four weeks in 2022. Midwest ethanol production averaged 985,000 bpd, up 35,000 bpd week-on-week and 24,000 bpd, or 2.4%, higher than in the same week last year. Four-week average output at 961,000 bpd was 91,000 bpd above the same four weeks in 2022.

➤ U.S. Corn Values delivered Ethanol Plants – the 20th of October 2023

Corn Delivered Selected Plants / Road quotes, in cents/bus basis CBOT futures: USDA (U.S. No. 2, 14.5% moisture, in cents/bus.

Nearby Ethanol Bids	10/19/2023	10/20/2023		
Blair, NE	5	5	Z	UNC
Cedar Rapids, IA	-10	0	Z	
Decatur, IL	0	0	Z	UNC
Fort Dodge, IA	0	0	Z	UNC
N. Manchester, IN	-25	-25	Z	UNC
Portland, IN	10	10	Z	UNC

➤ Ethanol Stocks near two year low

18 October 2023 by John Perkins - The U.S. ethanol supply dropped to multi-year lows last week due to solid demand and a recent dip on production.

The U.S. Energy Information Administration says ethanol stocks were 21.112 million barrels, the tightest supply since the end of 2021, and down 414,000 on the week and 732,000 on the year.

Production did rebound, hitting a five-week high at 1.035 million barrels a day, up 31,000 from the previous week and 19,000 from a year ago.

Iowa State University's Center for Agricultural and Rural Development says operating margins for the average Iowa plant were slightly lower, but managed to hold near the recent highs.

The Renewable Fuels Association says net inputs for ethanol refiners and blenders and the volume of gasoline supplied to consumers were above a week ago.

Ethanol exports averaged 112,000 barrels a day, 8,000 less than the week before.

The USDA's next corn for ethanol use estimate is out November 9th.

➤ Ethanol, DDGs Exports down on the month

5 October 2023 by John Perkins - The Renewable Fuels Association says the August ethanol export total of 102.3 million gallons was down 10% from July, but that included 62.4 million gallons headed to Canada, only slightly lower than the previous month's all-time high. Ethanol exports have topped 100 million gallons every month this year and Canada has been the leading buyer for 29 months in a row.

The other top destinations were the United Kingdom, Colombia, the European Union, and Peru.

Ethanol imports for August were 10.5 million gallons, mostly from Brazil, the first month with recorded imports in 2023.

Exports of distillers dried grains with solubles were 947,326 tons, 5% less than the previous month, mostly to Mexico, Vietnam, and Indonesia.

For the year to date, ethanol exports are 920.5 mmts, 7% slower than last year, while DDGS exports are 7.06 mmts, 9% behind the year ago pace.

➤ **NYMEX WTI Crude Oil – Weekly Cash**



Source: Barchart <https://www.barchart.com/futures/quotes/CLY00/interactive-chart>

NYMEX Cash WTI Crude Oil settled on Friday at \$89.38/barrel,

November WTI crude oil (CLX23) on Friday closed down -0.62 (-0.69%), and Nov RBOB gasoline (RBX23) closed up +1.19 (+0.50%).

➤ **Crude Price Fall Back on Reports Israel to Delay a Ground Assault**

20 October 2023 by Rich Asplund, Barchart – Nov WTI crude oil and gasoline prices Friday settled mixed. Crude prices Friday fell back from a 2-1/2 week high and posted moderate losses after Bloomberg reported that Israel agreed under U.S. pressure to hold off on its land assault of Gaza. Crude also came under pressure after the S&P 500 dropped to a 2-week low, reducing confidence in the economic outlook that is negative for energy demand. Crude prices Friday initially moved higher due to a weaker dollar and concern that an escalation of the Israeli-Hamas conflict could disrupt Middle East oil supplies.

Crude prices are underpinned by concern the conflict between Israel and Hamas may widen to a regional conflict. The U.S. Pentagon said it is seeing an increase in drone attacks in Iraq and Syria against American interests. On Thursday, a U.S. destroyer shot down cruise missiles launched by Yemen-based Houthi militants toward Israel. Leaders from several states of the Middle East, including Turkey, Saudi Arabia, and Jordan, along with the foreign ministers of France and the UK, are expected to participate in a summit Saturday in Cairo hosted by Egyptian President Abdel-Fatah El-Sisi to discuss the Gaza crisis. China and Germany are also sending envoys to the meeting.

Comments Monday from Iranian Foreign Minister Hossein Amirabdollahian were bullish for crude prices when he said, "Time for political solutions is running out, and the possible expansion of the war to other fronts is approaching the inevitable stage." Iran's foreign minister has said that Hezbollah militants could open a new front in the Israeli war if the blockade of Gaza and attacks on civilians continue.

A bearish factor for crude oil was the action by the U.S. late Wednesday to ease sanctions for six months on Venezuela's oil exports in exchange for steps to ensure the country holds fair presidential elections next year. An easing of sanctions will put additional crude supplies on the global market, with some analysts estimating about 200,000 bpd of additional supplies.

The tightness in the oil market is expected to continue due to the extension of OPEC+ production cuts. Saudi Arabia recently said it would maintain its unilateral crude production cut of 1.0 million bpd through December. The move will hold Saudi Arabia's crude output at about 9 million bpd, the lowest level in three years. Russia also recently announced that it would maintain its 300,000 bpd cut in crude production through December. Saudi Arabia and Russia on Wednesday announced that they will retain their crude production cuts until the end of the year. OPEC Sep crude production was little changed, rising +50,000 bpd to 27.97 million bpd.

A decline in crude in floating storage is bullish for prices. Monday's weekly data from Vortexa showed that the amount of crude oil held worldwide on tankers that have been stationary for at least a week fell -0.5% w/w to 74.71 million bbl as of Oct 13, the lowest in 10 months.

Wednesday's EIA report showed that (1) U.S. crude oil inventories as of Oct 13 were -4.8% below the seasonal 5-year average, (2) gasoline inventories were -0.1% below the seasonal 5-year average, and (3) distillate inventories were -13.3% below the 5-year seasonal average. U.S. crude oil production in the week ended Oct 13 was unchanged w/w at a record high of 13.2 million bpd.

Baker Hughes reported last Friday that active U.S. oil rigs in the week ended Oct 13 rose by +4 to 501 rigs, recovering slightly from the prior week's 20-month low of 497 rigs. That is well below the 3-1/4 year high of 627 rigs posted on Dec 2, 2022. Still, U.S. active oil rigs have roughly tripled from the 18-year low of 172 rigs seen in Aug 2020, signaling an increase in U.S. crude oil production capacity from pandemic lows.

➤ **NYMEX Natural Gas – Weekly Cash**



Source: Barchart <https://www.barchart.com/futures/quotes/CLY00/interactive-chart>

NYMEX Cash Natural Gas settled on Friday at \$2.956/MMBtu..

November Nymex natural gas (NGX23) on Friday closed -0.058 (-1.96%).

November WTI crude oil (CLX23) on Friday closed down -0.62 (-0.69%), and Nov RBOB gasoline (RBX23) closed up +1.19 (+0.50%).

➤ **Nat-Gas Prices Slump, Favorable U.S. Weather Curbs Nat-Gas Demand**

20 October 2023 by Rich Asplund, Barchart – Nat-gas prices on Friday declined for the eighth consecutive session, the longest losing streak in four years, and posted a 2-1/2 week low. Negative carryover from Thursday weighed on nat-gas prices after weekly EIA nat-gas inventories rose +97 bcf, much higher than expectations of +83 bcf. Nat-gas prices are also weighed down by warmer weather that is expected in much of the eastern U.S., while weather in the western U.S. is cooler, cutting nat-gas demand for heating and air conditioning. Maxar Technologies said the remnants of the West Pacific Typhoon Bolaven will keep temperatures cooler along the West Coast over the next two weeks and warmer in the eastern two-thirds of the U.S.

Nat-gas prices have carryover support from last Friday's rally in European nat-gas price to an 8-month high on concerns about global supplies after Chevron shut down a nat-gas production field in Israel because of safety concerns tied to the Israel-Hamas conflict. As a result of the drop in fuel flows, Egypt said it is re-examining plans to export LNG to Europe.

Lower-48 state dry gas production Friday was 102.2 bcf/day (+3.3% y/y), according to BNEF. Lower-48 state gas demand Friday was 67.2 bcf/day, -10.9% y/y,

according to BNEF. LNG net flows to U.S. LNG export terminals on Friday were 14.0 bcf/day or -0.5% w/w.

High inventories caused by carryover from the mild 2022/23 winter and weak heating demand have undercut nat-gas prices. Gas storage across Europe was 98% full as of October 16, above the 5-year seasonal average of 89% full for this time of year. U.S. nat-gas inventories as of October 13 were +5.1% above their 5-year seasonal average.

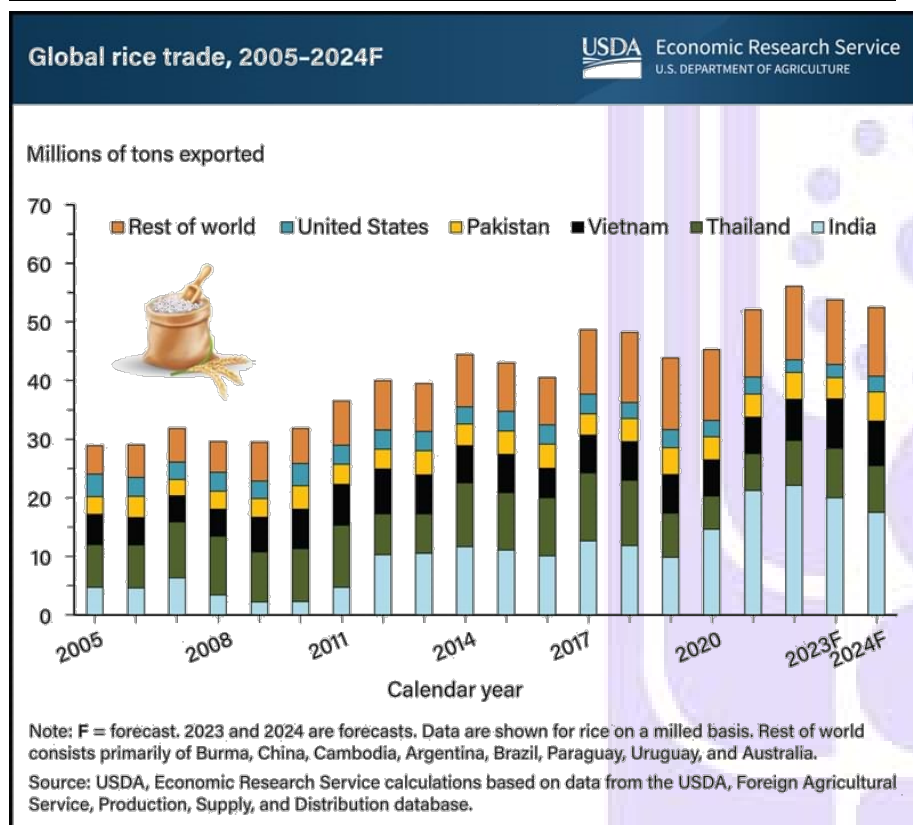
A decline in U.S. electricity output is bearish for nat-gas demand from utility providers. The Edison Electric Institute reported Wednesday that total U.S. electricity output in the week ended October 14 fell -1.8% y/y to 68,978 GWh (gigawatt hours), and cumulative U.S. electricity output in the 52-week period ending October 14 fell -0.5% y/y to 4,092,610 GWh.

Thursday's weekly EIA report of +97 bcf for the week ended October 13 was bearish for nat-gas prices since it was above expectations of +83 bcf and above the 5-year average for this time of year at +85 bcf. As of October 13, nat-gas inventories were up +8.5% y/y and were +5.1% above their 5-year seasonal average, signaling ample nat-gas supplies.

Baker Hughes reported Friday that the number of active U.S. nat-gas drilling rigs in the week ended October 20 rose by +1 to 118 rigs, modestly above the 19-month low of 113 rigs from September 8. Active rigs rose to a 4-year high of 166 rigs in September 2022. Active rigs have roughly doubled from the record low of 68 rigs posted in July 2020 (data since 1987).

OTHER MARKETS

➤ India's export restrictions to reduce global rice trade in 2023 and 2024



16 October 2023 USA ERS - Global rice trade is projected to decline in 2023 and 2024 after India, the world's largest rice exporter, implemented additional export restrictions on rice in July and August 2023. India accounted for more than 40% of global exports in 2022, supplying more rice than each of the next four largest suppliers—Thailand, Vietnam, Pakistan, and the United States. In summer 2023, India placed a ban on export sales of regular-milled white rice while imposing tariffs and additional restrictions on other types of exported rice. Global prices for rice then rose by 12 to 14% by the end of July. Prices continued to surge in August, reaching their highest since 2008, dropping slightly by mid-September as panic buying slowed. The impact is felt by many of the world's food-insecure countries, especially in Sub-Saharan Africa, India's largest export market. This region is expected to import less rice in 2023 and 2024 even as Thailand, Vietnam, and Pakistan pick up additional sales, despite tight supplies in Thailand and Vietnam. This chart is drawn from the

October 2023 Rice Outlook, published by USDA, Economic Research Service. Also see the August 2023 and September 2023 Rice Outlook.

➤ USDA WASDE for Livestock, Poultry and Dairy

U.S. Quarterly Animal Product Production 1/

Year and Quarter	Beef	Pork	Red Meat 2/	Broiler	Turkey	Total Poultry 3/	Red Meat & Poultry	Egg	Milk
				Million Pounds				Mil doz	Bill lbs
2022 IV	7,052	6,919	14,017	11,861	1,310	13,310	27,327	2,277	55.9
Annual	28,291	26,996	55,471	46,206	5,222	51,997	107,469	9,074	226.5
2023 I	6,821	7,071	13,937	11,549	1,348	13,039	26,976	2,209	56.9
II	6,710	6,593	13,348	11,545	1,410	13,105	26,453	2,287	58.1
III	6,620	6,460	13,122	11,750	1,375	13,276	26,398	2,322	56.3
IV*	6,825	7,165	14,035	11,650	1,415	13,200	27,335	2,360	56.4
Annual									
Sep Proj.	26,941	27,159	54,275	46,694	5,578	52,854	107,129	9,181	227.5
Oct Proj.	26,976	27,289	54,441	46,494	5,548	52,620	107,061	9,178	227.6
2024 I*	6,365	7,120	13,529	11,600	1,390	13,130	26,659	2,340	57.7
II*	6,385	6,565	12,993	11,710	1,400	13,255	26,248	2,365	58.5
III*	6,290	6,765	13,099	11,950	1,400	13,495	26,594	2,360	57.3
Annual									
Sep Proj.	25,165	27,335	52,675	47,310	5,650	53,525	106,200	9,455	230.4
Oct Proj.	25,275	27,895	53,345	47,110	5,640	53,315	106,660	9,455	230.4

* Projection. 1/ Commercial production for red meats; federally inspected for poultry meats. 2/ Beef, pork, veal and lamb & mutton. 3/ Broilers, turkeys and mature chicken.

12 October 2023 USDA WASDE – The USDA forecast for 2023 red meat and poultry production is lowered from last month, as higher beef and pork production is more than offset by lower broiler and turkey. Beef production is raised on higher cow and bull slaughter in the second half of the year which more than offsets lowered third-quarter steer and heifer slaughter. The increase in total slaughter is partially offset by lower dressed weights. Pork production is raised for the second half of the year with a higher-than-expected pace of slaughter and upward revisions to the first-half 2023 pig crop. Broiler production is lowered on current hatchery and slaughter data. Turkey production is lowered from last month based on the most recent production data. Egg production is reduced on lower expected hatching egg production. For 2024, the red meat and poultry production forecast is raised. Beef production is raised primarily on higher feedlot marketings. Pork production is raised as the Quarterly Hogs and Pigs report, released September 28, pointed to a more rapid rate of growth in pigs per litter than previously expected. With larger expected pig crops in the second half of 2023 and first-half 2024, slaughter in 2024 is forecast higher, boosting the production forecast. Broiler and turkey production forecasts are lowered on recent hatchery data and expectations for modest growth in production during the year. Total egg production is unchanged for 2024.

The beef import forecasts for 2023 and 2024 are raised on continued strength in demand and availability of supplies in Oceania. Beef exports are lowered for 2023 and 2024 on increased competition. Pork imports are increased for both 2023 and

2024 largely on higher imports from the EU. Pork exports are lowered for 2023 on the current pace of trade but raised for 2024 on improved competitiveness in Asian markets. Broiler exports are raised for 2023 based on recent trade data but lowered for 2024 as U.S. broiler meat is expected to be less competitive on the global market. Turkey exports are raised for 2023 and 2024 based on lower prices for U.S. product.

Cattle price forecasts for 2023 are lowered from last month reflecting September and early-October prices and weaker expected demand for cattle during the fourth quarter of the year. Cattle prices for 2024 are also lowered from last month, as larger supplies of cattle in feedlots are expected to put downward pressure on fed cattle prices. The hog price forecast for 2023 is lowered from last month due to current prices and larger hog supplies. Hog price forecasts for 2024 are also lowered, as larger supplies of hogs pressure prices. Broiler prices for 2023 and 2024 are raised due to lower production. Turkey price forecasts for 2023 and 2024 are reduced on continued weakness in demand. Egg price forecasts for 2023 are lowered on recent prices and for 2024 on steady demand.

The milk production forecast for 2023 is raised from last month on slightly more rapid growth in milk per cow. The forecast for 2024 is unchanged from last month.

Fat basis imports for 2023 are unchanged from last month. Higher expected imports of butter in 2024 support a higher fat-basis import forecast although cheese imports are forecast lower. Skim-solids basis imports are raised for 2023, reflecting higher imports of milk proteins. For 2024, lower cheese and milk protein imports result in a lower skim-solids import forecast. Exports in 2023 are reduced on both a fat basis and a skim-solids basis with lower expected sales of butter, nonfat dry milk (NDM), and dry whey. For 2024, weaker expected sales of butter and dry whey are reflected in lower fat basis and skim-solids basis export forecasts.

Recent strength in butter prices and expectations of continued firm demand support an increase in the butter price for 2023. Cheese is reduced on current prices and continued large stocks while the NDM price is raised on current prices. The whey price forecast is unchanged. The Class III price is reduced, reflecting the lowered cheese price forecasts, but the Class IV price is raised on stronger butter and NDM prices. For 2024, price forecasts for butter and NDM are raised as price strength is expected to carry into the new year. The cheese price is reduced, but the whey price is unchanged. The Class III price forecast is reduced on the lower cheese prices while the Class IV price forecast is raised on higher butter price and NDM prices. The 2023 all milk price forecast is raised to \$20.70 per cwt and the 2024 all milk price is raised to \$20.55 per cwt.

"The company regularly evaluates relisting Smithfield's stock in the U.S., but there is no time-table for it," WH Group said in an emailed statement to Reuters.

Smithfield did not immediately respond to a Reuters request for comment.

WH Group acquired Smithfield in 2013 in a \$4.7-billion deal, aimed at tapping the massive supplies of U.S. meat for export to China.

Virginia-based Smithfield is set to permanently close 35 hog farm sites in Missouri and lay off 92 employees in October, according to a Missouri Worker Adjustment and Retraining Notification Act (WARN) notice in August.

The U.S. meat industry has struggled with declining profit and reduced demand from consumers squeezed by inflation and higher interest rates. Amid spiraling feed and labor costs, meat companies have struggled to predict demand for their products .

International Grains Program
State University

➤ **Chinese-owned pork producer Smithfield prepares for US listing**

19 October 2023 WSJ, Reuters - Smithfield Foods' Chinese owner WH Group is working with banks to take the U.S.-based pork producer public again in the United States, the Wall Street Journal reported on Wednesday, citing people familiar with the matter.

Smithfield could list its shares as early as next year, the WSJ reported, adding that the deliberations are ongoing and the timing could change.

TRANSPORTATION

➤ **Baltic Dry Freight Index – Daily = 2071**



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

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 mts; Panamax, which usually carry coal or grain cargoes of about 60,000 to 70,000 mts; and Supramax, with a carrying capacity between 48,000 and 60,000 mts. 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.

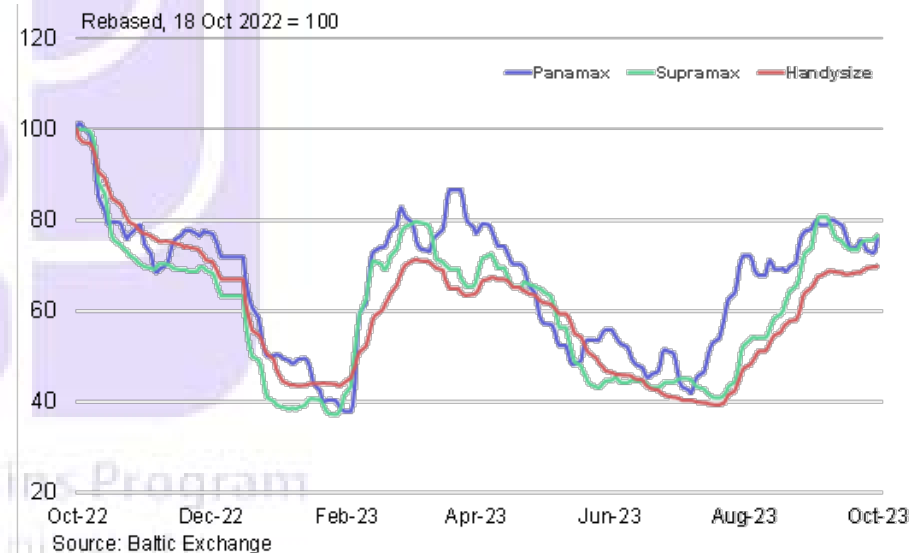
➤ **Baltic Exchange Weekly Market Report**

1st September 2023 Source: Baltic Exchange
<https://www.balticexchange.com/en/data-services/WeeklyRoundup/dry/news/2023/bulk-report-week-42.html>

Capesize - The Capesize market experienced a strong week with the timecharter average breaking over \$30,000/day, the highest value in 17 months. However, the surge hit pause on Thursday and the 5TC slipped below the threshold to \$29,493 on

Friday. Strong rates were reported from North Atlantic, regardless of short or long duration fronthaul trips, with tonnage list remaining tight throughout the week. Early loading dates from Saldanha Bay and Brazil paid a good premium on vessels with prompt dates. A Tubarao to Qingdao run was paying \$25.772, or about mid \$21,000s, for a China-Brazil round trip. In the Pacific, decent cargo levels were traded when the week first began but with only one major in the market later of the week, settling the West Australia to Qingdao run at \$10.70. The second half of the week was slower across both basins in general.

Panamax - The Panamax market returned a real Atlantic/Asia divide this week. The Atlantic market progressed all week, particularly midweek, primarily driven by both solid mineral and grain demand both for transatlantic and fronthaul trips, with the former assisted by some cape split cargo entering the fray. The headline rate was an 81,000 dwt delivery Gibraltar securing \$18,000 for a trans-Atlantic grain round trip. South America added sound support, with a host of deals concluded for first-half November arrival window at rates better than last done. It was a lethargic Pacific market this week, except for a minor push ex-Indonesia where demand remained steady all week, but mostly absorbed by smaller/older type tonnage. Disappointing demand ex-NoPac and Australia failed to lend any support to rates and numbers for these longer runs drifted over the course of the week. Period activity was limited, with a scrubber-fitted 82,000 dwt delivery China achieving \$15,500 for a one-year period.



Ultramax/Supramax - Overall, a rather subdued end for the week. The only bright spark was from the US Gulf, which saw a strong rebound at the beginning with better levels of enquiry and tightness of prompt tonnage. Other areas within the basin remained at best stable but an increasing lack of fresh cargo saw rates put under downward pressure. From Asia, the week was slow to pick with limited fresh enquiry appearing in most quarters but as it closed, more enquiry was being seen. However,

there still remained a good supply of tonnage. Period action was fairly sparse, but a 63,000-dwt open Continent fixed for minimum four months trading redelivery worldwide at \$18,750. In the Atlantic, a 61,000 dwt fixed delivery SW Pass redelivery Far East at \$35,000. Whilst a 62,000 dwt fixed a trip delivery US East Coast redelivery China at \$31,500. In Asia, a 61,000 dwt open Japan fixed a NoPac round at \$13,000. Further south, a 64,000 dwt open Singapore fixed a trip to India at \$20,500 (scrubber benefit to owners).

Handysize - Levels continued to improve in the South Atlantic, with a 36,000 dwt fixing from Rio Grande to Caldera at \$26,000, whilst a 37,000 dwt was rumoured to have been fixed from North Brazil to Algeria with an intended cargo of grains at \$21,000. The Mediterranean slowed as the week progressed with limited fresh cargo and suggestion that events in the region were also playing their part, a 36,000 dwt opening in Varna was fixed for a trip via Romania to the Continent at \$14,000. On the Continent, a 40,000 dwt fixed from Bremen to the US East Coast with lumber at \$16,650. In Asia, activity was subdued across the region and numbers had begun to soften, a 40,000 dwt opening in the Philippines was fixed via Indonesia to Malaysia at \$12,750 whilst a 32,000 dwt opening in Brisbane on 1 November was fixed to North China at \$13,500. Period activity also remained, with a 38,000 dwt opening in Conakry fixing for four-to-six months with worldwide redelivery at \$13,500.

17 October 2023 Route (US\$ per ton)	TW	LW	LY	% Chg. y/y
USA (New Orleans) - EU (Rotterdam)	29	29	32	-9
USA (New Orleans) - Japan (Yokohama)	51	51	56	-9
USA (New Orleans) - Mexico (Veracruz)	19	18	21	-10
Argentina (Rosario) - EU (Rotterdam)	35	35	39	-10
Australia (Kwinana) - China (Dalian)	22	22	26	-15
Brazil (Santos) - China (Dalian) 48	49	54	-11	
Brazil (Santos) - EU (Rotterdam)	29	29	32	-9
EU (Rouen) - Algeria (Bejaia)	23	22	26	-12
Russia (Novorossiysk) - Egypt (Alexandria)	20	20	24	-17

Source: IGC <https://www.igc.int/en/subscribers/gmi/gmi.aspx>

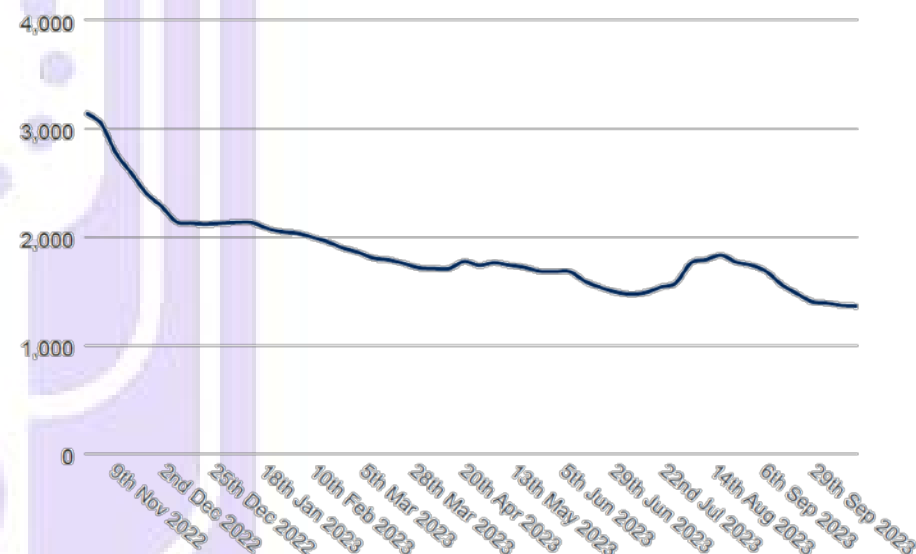
Although movements in time charter rates across underlying segments were mixed over the past week, the Baltic Dry Index rose by a net 4% and reached a fourteen-month high. Despite the generally supportive supply and demand backdrop, many participants were cautious amid ongoing hostilities in the Middle East, especially in light of potential risks to the critical commercial waterways via the Suez Canal and the Strait of Hormuz. Capesize earnings averaged 7% higher w/w amid sustained iron ore trade at key origins, coupled with continued tightness of tonnage in the North Atlantic. Positive sentiment at the US Gulf and in the southern Atlantic buoyed Supramax values, which rose by 2% w/w, on average. Improving enquiry levels in South America, pared with growing activity in Europe, underpinned Handysize rates.

However, Panamax earnings retreated recently amid limited fresh business in Asia and South America, with inland logistics in Brazil reportedly hampered by low water levels on the key Amazon River.

➤ **Drewry World Container Index**

World Container Index – 19 October 2023

Drewry World Container Index (WCI) - 19 Oct 23 (US\$/40ft)



Source: Drewry World Container Index, Drewry Supply Chain Advisors

<https://www.drewry.co.uk/supply-chain-advisors/supply-chain-expertise/world-container-index-assessed-by-drewry>

Drewry's World Container Index remained stable at \$1,364 per 40ft container this week. Detailed assessment as of Thursday, 19 October 2023

- The composite index remained stable at \$1,364 this week and has dropped by 60% when compared with the same week last year.
- The latest Drewry WCI composite index of \$1,364 per 40-foot container is now 4% below the average 2019 (pre-pandemic) rates of \$1,420 and is the lowest for 3 years.
- The average composite index for the year-to-date is \$1,720 per 40ft container, which is \$957 lower than the 10-year average rates of \$2,677 (which was inflated by the exceptional 2020-22 Covid period).
- Freight rates on Shanghai to Genoa decreased by 3% or \$43 to \$1,370 per 40ft container. Similarly rates on Los Angeles to Shanghai decreased by 2% or \$20 to \$811 per feu. Likewise, rates on Shanghai to Los Angeles decreased marginally by

1% or \$17 to \$1,979 per 40ft box. Conversely rates on New York to Rotterdam, Rotterdam to Shanghai, Rotterdam to New York and Shanghai to Rotterdam increased by 4%, 3%, 2% and 1% to \$703, \$476, \$1,564 and 1,024 per 40ft container respectively. Meanwhile, rates on Shanghai to New York remain stable. Drewry anticipates East-West spot rates to remain close to current levels, overall, in the upcoming weeks.

➤ Illinois River Barge Freight

1 September 2023 – Indicative values, “bid/offer”, as a % of tariff (1976 benchmark rates short ton (2,000 lbs)). Use to calculate “Delivery Value Equivalents” (DVE).

IL RIVER FREIGHT

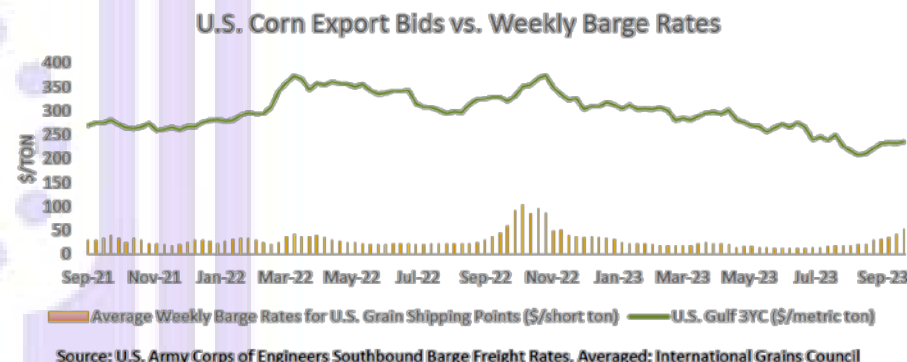
	10/19/2023	10/20/2023	
Wk 10/15	550/600	575/625	
Wk 10/22	550/600	575/625	
wk 10/29	525/575	550/600	
wk 11/5 & 11/12	500/550	525/575	
wk 11/19 & 11/26	475/525	500/550	
Dec	475/525	475/525	UNC
Jan	500/550	500/550	UNC
Feb	500/525	500/525	UNC
March	475/500	475/500	UNC
April	450/475	450/475	UNC

ST LOUIS BARGE

FREIGHT 14'	10/19/2023	10/20/2023	
Wk 10/15	575/625	525/575	
Wk 10/22	550/600	525/575	
wk 10/29	525/575	525/575	UNC
wk 11/5 & 11/12	450/500	450/500	UNC
wk 11/19 & 11/26	400/450	425/475	
Dec	400/450	400/450	UNC
Jan	425/450	425/450	UNC
Feb	400/425	400/425	UNC
March	375/400	375/400	UNC
April	350/400	350/400	UNC

➤ Low Mississippi River Levels Disrupt U.S. Corn Trade

12 October 2023 USDA FAS – Since June 2023, hot and dry conditions along the Mississippi River valley caused river levels to dip well below historical averages. According to USDA's Agricultural Marketing Service (AMS), river gauges in key grain shipping points such as Memphis, Tennessee were close to 2 feet lower than last year as of October 3, while the river hovered just above last year's trough in St. Louis, MO.



Each year, between 50 and 60% of exported U.S. corn is moved via barge from the Midwest to ports in the Gulf of Mexico. When river levels decline, barge operators must both reduce the load of each barge and lower the number of barges pulled together. These operating restrictions mean that more boats and barges are required to move smaller amounts of grain, straining both capacity and efficiency. Pressure on capacity is already triggering a spike in barge freight costs. The AMS Grain Transportation report stated that southbound barge spot rates rose to \$51/ton as of September 26th – 6% higher than last year and almost 90% higher than the 3-year average of \$23/ton. In October 2022, spot barge rates reached an all-time high of \$105.85/ton in St. Louis when even lower water levels were reached. Consequently, by November, FOB U.S. Gulf quotes soared to a record \$375/ton, before returning to lower averages in December. Improved preparedness from barge operators and increased dredging by the U.S. Army Corps of Engineers makes this scenario less likely in 2023 but demonstrates the impact of low water levels on U.S. corn exports.

As transport costs to export positions in the U.S. Gulf increase, cash prices in upstream river terminals decline while cash prices in the Gulf rise to compensate for increasing costs.

For example, for the week ending October 6th, prices at Tennessee elevators and barge points corn basis (cash price minus nearby futures contract) were \$0.89 - \$1.00/bushel under the December futures contracts. By comparison, the 5-year average corn basis was \$0.23/bushel under for the same elevators and barge points. This basis gap incentivizes producers to market to other end users such as ethanol plants or store grain on farm until backlogs clear, increasing short-term stocks and delaying exports.

The net effect of smaller Gulf-bound supplies and higher transit costs is reduced competitiveness for U.S. corn, supporting weaker export demand for U.S. corn.

Despite U.S. production being forecast at second from record, as of the week ending September 28th, U.S. export sales data indicates accumulated sales and shipments of U.S. corn were 28% below the 5-year average for the same week.

LOGISTICS

- **Supply Chains:** Customs and Border Protection (CBP) [announced](#) the resumption of commercial operations at the Bridge of the Americas cargo facility on a limited schedule. Located in South-Central El Paso, TX, the bridge's services were suspended as CBP personnel were dispatched to assist with a surge in the flow of migrants crossing the U.S.-Mexico border in Texas.

- **Brazil exporters re-route cargos as drought drains Amazonian rivers**

18 October 2023 by Roberto Samora and Ana Mano, Reuters - Severe drought in the Amazon is forcing Brazilian grain exporters to divert a small number of export cargos to southern port terminals instead of northern ports, grain exporters group Anec said on Wednesday.

Northern routes, which have been disrupted by difficulties navigating shallow Amazonian rivers this spring, have been instrumental to helping the country boost corn and soybeans exports over the past few years.

Brazil is the world's biggest soybean exporter and expected to overtake the U.S. this year as top corn exporter. China is Brazil's biggest export market for both crops.

Anec, which represents grain traders including ADM, Bunge, Cargill and Cofco, declined to elaborate on which companies are diverting cargo and the volumes involved. Anec's director-general Sergio Mendes noted the volumes are insignificant and he does not see a widespread trend.

The drought, which has limited volumes of grain transported on barges via northern ports in recent days, will not impact Brazilian overall grain exports this year, Anec said. "This is a mere change (of port)," Mendes said, adding that shipments can divert south to Santos, Latin America's biggest port.

The port of Santos is serviced by a reliable railway that connects it with the heart of Brazil's farm country, the state of Mato Grosso.

Anec is maintaining projections for record 2023 Brazilian soy exports at 99 mmts, and record corn exports between 52 million and 53 mmts, Mendes said. Anec cut this week Brazil's soybean and corn export forecasts for October, however, by around 900,000 tons from a week ago.

Brazil has shipped most of its soy and is in the final months of the corn-exporting season. From January to August, 44% of Brazil's corn exports went through four main northern ports including Barcarena, Itaquí, Itacoatiara and Santarém, according to crop agency Conab, while some 31% of corn shipments from Brazil left through Santos.

- **Low water on Mississippi River to persist despite improved outlook**

19 October 2023 by Karl Plume, Reuters - Low water levels on the lower Mississippi River are likely to persist through at least January despite expected above-normal precipitation across the southern United States this winter, forecasters with the National Oceanic Atmospheric Administration (NOAA) said on Thursday.

The severe to exceptional drought choking the lower Mississippi River valley is expected to improve this winter as the El Niño weather pattern brings better rains to the region, NOAA said in its U.S. winter weather outlook.

But lingering drought in the upper Midwest and forecasts for normal to below-normal precipitation across basins that supply tributaries like the Illinois and Ohio rivers could slow the Mississippi River's recovery.

Low water has slowed export-bound barge shipments of grain from the Midwest farm belt for a second straight year during the busy fall harvest season, making U.S. exports of corn and soybeans less competitive in the world market.

"We are expecting improving drought conditions for the lower to middle Mississippi Valley during the next few months. But for the hydrological impacts such as low river levels and low ground water levels, that will be a little slower to recover," said Brad Pugh, operational drought lead with NOAA's Climate Prediction Center. "The hydrological impacts could linger beyond the end of January," he said.

The Mississippi River fell to an all-time low on Monday at the Memphis, Tennessee, river gauge, eclipsing the previous low water record set nearly a year ago, according to National Weather Service data.

Shallow river conditions prompted barge shippers to restrict the amount of grain they haul to avoid getting stuck in the drought-parched waterway.

Still, areas of the lower Mississippi River have been closed to navigation at times over the past several weeks following vessel groundings or as U.S. Army Corps of Engineers crews dredged low spots to deepen the channel.

Government Actions and Policies

- **USDA delays new weekly export sales reporting upgrades until 2024**

17 October 2023 by Julie Ingwersen, Reuters - The U.S. Department of Agriculture continues to work on upgrades to its export sales reporting system but will not roll out its new portal before the spring of 2024, an official with the USDA's Foreign Agricultural Service said on Tuesday.

Exporters are required to report sales of U.S. agricultural commodities to the USDA, which reports weekly export sales each Thursday. The reports are closely watched by grain and livestock traders.

The USDA is still refining its new system as it collaborates with exporters following a failed roll-out in August 2022 that sent traders scrambling and delayed export sales reports for three weeks.

"We don't expect anything to go live until spring of 2024 at the earliest," Paul Trupo, an acting deputy administrator with the Foreign Agricultural Service, said at a USDA data meeting.

The government is modernizing its export sales reporting system to comply with new IT protocols and enhance security features, but once the updates are complete, "exporters and users should find the new system as close to identical as possible to the current system," Trupo said.

➤ **Corn Refiners Association - Trade Update**

17th October 2023 CRT Trade Update -

- **BRICS:** Leaders of the BRICS countries (Brazil, Russia, India, China, and South Africa), an informal block of emerging economies, extended invitations to Argentina, Egypt, Ethiopia, Iran, Saudi Arabia, and the United Arab Emirates to join BRICS. South African President Cyril Ramaphosa made the announcement at the 15th annual BRICS summit in Johannesburg, South Africa.
- **USMCA:** Manufacturas VU, a Mexican auto parts producer, shuttered operations rather than comply with a labor rights remediation plan negotiated by the U.S. and Mexico under USMCA's Rapid Response Mechanism, according to a USTR press report. USTR Ambassador Katherine Tai said, "The U.S. will continue to monitor the situation regarding Manufacturas VU to verify that the rights of workers previously employed by the company are respected."
- **IPEF:** Senators Tom Carper (D-DE) and Todd Young (R-IN) have called on Tai to ensure IPEF produces strong and binding rules on digital trade and data storage. They stated, "From general manufacturing to artificial intelligence, the role of digital trade in the global economy has never been more consequential."
- **Supply Chains:** Customs and Border Protection (CBP) announced the resumption of commercial operations at the Bridge of the Americas cargo facility on a limited schedule. Located in South-Central El Paso, TX, the bridge's services were suspended as CBP personnel were dispatched to assist with a surge in the flow of migrants crossing the U.S.-Mexico border in Texas.
- **Trade Policy:** Panamanian President Laurentino Cortizo Cohen wants to have bilateral talks with President Biden on the U.S.-Panama Trade Promotion Agreement among other issues, according to Inside U.S. Trade. Specifically, Panama's president is looking to discuss the agricultural provisions of the trade agreement.
- **WTO:** Ambassador Einar Gunnarsson of Iceland, the chair of the fisheries subsidies negotiations, was pleased by progress towards an agreement last week. Members completed the first line-by-line reading of the agreement draft.
- **U.S.-EU:** U.S. and EU leaders have agreed to extend the deadline on the Global Steel and Aluminum Arrangement (GSA), to January 2024, avoiding the reimposition of tariffs slated for reinstatement at the end of this month. Previously, trade officials on both sides were aiming for an agreement in anticipation of the U.S.-EU Summit planned for Oct. 20, 2023.

- **Trade Trends:** Compelled by continued anemic trade flows, the WTO revised its projections for global merchandise trade downward for 2023. The volume of world merchandise trade is now expected to increase 0.8% this year, down from the 1.7% increase forecasted in April. The downward revision is attributed to "persistent inflation," the war in Ukraine, and the "first signs of global economic fragmentation."

➤ **Latest Trade Related Issues**

ARGENTINA: On the 30th of September 2023, the "soy dollar" scheme was extended until 25 October. Crushers can use 25% of export revenues in foreign exchange freely, while the balance (75%) would be exchanged at an official rate of ARS350/US dollar. On 11 October 2023, sunflower oil, sunflowerseed meal, sorghum and barley were added to the scheme, until 20 October.

(see <https://www.boletinoficial.gob.ar/> 1) (see <https://www.boletinoficial.gob.ar/> 2)

BRAZIL: The Minister for Agriculture and Livestock allocated on the 18th of October 2023 BRL400m (US\$79m) in subsidies for 2023/24 wheat, including setting the floor price of type 1 loaf wheat at BRL87.77/60kg-bag (equivalent to US\$289/mt). (see <https://www.gov.br/>)

CHINA: The National Development and Reform Commission (NDRC) set on the 27th of September 2023 the 2024 minimum purchase price for third-grade wheat at CNY2,360/mt (US\$323), up by 1% y/y.

On the 19th of October 2023, the Agriculture Ministry approved 37 genetically-modified maize and 14 soybean seed varieties, with the list open for public comment until the 15th of November.

CHINA: The National Development and Reform Commission (NDRC) set on the 21st of September 2023 tariff rate quotas (TRQs) for 2024 wheat and maize imports, at 9.6 mmts and 7.2 mmts, respectively, unchanged y/y. (see <https://www.ndrc.gov.cn/>)

Effective from the 28th of September 2023, the Agriculture Ministry authorised the import of genetically-modified (GM) herbicide-tolerant canola for a five-year period.

EU (Poland): The European Commission approved on the 6th of October 2023 a support program for Polish grain and oilseed farmers worth about €132.3m (PLN610m, US\$139.0m). On the 13th of October 2023, a domestic program worth €56.3m (PLN240m, US\$59.2m) was authorised to support maize farmers affected by imports from Ukraine. (see <https://ec.europa.eu/> 1) (see <https://ec.europa.eu/> 2)

EU (Romania): The government adopted on the 12th of October 2023 an emergency decree regulating wheat, maize, rapeseed and sunflowerseed imports from Ukraine. (see <https://www.madr.ro/>)

INDIA: On the 18th of October 2023, the Cabinet Committee on Economic Affairs (CCEA) approved increases in Minimum Support Prices (MSP) for 2024/25 rabi (winter-sown) crops, including for wheat, barley, rapeseed, chickpeas and lentils. (see <https://www.pib.gov.in/>)

MOROCCO: In addition to the import support program between the 1st of July and 30th of September, ONICL, the state grains agency, provided on 25th of September 2023 import subsidies for up to 2.0 mmts of milling wheat between the 1st of October and the 31st of December 2023. (see <https://www.onicl.org.ma/>)

TURKEY: Turkish authorities introduced on the 27th of September 2023 mandatory registration of durum and maize export volumes for shipment during October, with applications accepted between the 25th and 29th of September.

➤ **U.S. Wants UK to Open Ag Markets in Trade Negotiations**

As trade negotiations between the United States and the United Kingdom intensify, the United States is pushing the UK to open its agricultural markets to U.S. imports, but there is resistance, The Guardian reported.

“The major hurdle remains agriculture and the environment department is continuing to insist the UK should not open up to American food products that have been produced to lower regulatory standards,” The Guardian said. “One government source said it would be for the prime minister to decide whether to overrule the environment department or risk the U.S. walking away from negotiations.”

➤ **China Approves GM Corn and Soybean Seed Varieties**

A national committee set up by the China’s agriculture ministry has approved 37 GM corn seed and 14 soybean seed varieties, after a preliminary review, the ministry said on Tuesday.

The approved list, including four corn varieties developed by China National Seed Group, a unit of Syngenta Group, and five soybean varieties from Beijing Dabeinong Technology Group, is available for public review until Nov. 15.

Actual planted areas for these seed varieties, after final approval, should be in accordance with relevant government arrangements, according to the notice on the website of the Ministry of Agriculture and Rural Affairs.

➤ **EU Fails to Reach Decision on Glyphosate Renewal**

European Union member states representatives at the Standing Committee on Plants, Animals, Food and Feed last week were unable to reach a position on being either for or against the reauthorization of the herbicide glyphosate following the European Commission’s proposal to extend the approval for 10 years.

Reuters pointed out, “A ‘qualified majority’ of 15 countries representing at least 65% of the bloc’s population had been required either to support or to block the proposal. The European Commission said in a statement there was no qualified majority either way in a vote by a committee of the EU’s 27 members.”

Reuters also noted that EU governments will try again in the first half of November when another failure to produce a clear opinion would leave the decision with the European Commission. A decision is needed by December 14 as the current approval expires the following day.

➤ **Moroccan Fertilizer Company Sees Way Back into US Market**

Two separate rulings last month from judges at the U.S. Court of International Trade came down in favor of Moroccan fertilizer giant OCP, telling ITC and Commerce to go back to the drawing board on decisions that essentially shut the company out of the U.S. market.

The ITC ruled in 2021 that imported phosphates from Morocco and Russia from 2017 through 2020 significantly injured domestic producers Mosaic and Simplot, paving the way for countervailing duties. Commerce followed by setting those duties at about 20% on Moroccan imports and about 9% on Russian imports. But, The tTC earlier this year issued preliminary decisions to lower the duty on Moroccan phosphate to about 14% and raise the duty on Russian phosphate to about 53%.

The National Corn Growers Association is taking the lead in bringing together American farm groups to plead their case to the Biden administration. The group has drafted a letter to Commerce Secretary Gina Raimondo and is now collecting signatures.

According to NCGA, American farmers spent \$36.9 billion on fertilizer in 2022, compared to \$24.4 billion in 2020. Those costs have remained relatively high in 2023 at \$36.4 billion. Further, phosphate prices increased by 230% from 2020 to 2022.

➤ **Panama President Makes Plea to Talk Ag Trade, Migration**

Panamanian President Laurentino Cortizo Cohen wants to meet with President Biden to talk about agricultural trade and migration issues, *Inside U.S. Trade* reports.

Both trade and migration are expected to be on the agenda when Biden meets with Latin American leaders in Washington on November 3, but Cortizo Cohen can’t attend that meeting because it conflicts with Panama’s Independence Day. Cortizo Cohen has therefore said he needs a separate bilateral meeting with Biden to “raise the review of the FTA [free trade agreement],” *Inside U.S. Trade* said.

Cortizo Cohen has expressed concern that the U.S.-Panama Trade Promotion Agreement calls for the phase-out and end to tariffs on agricultural imports to Panama.

Inside U.S. Trade noted that when the agreement entered into force in 2012, Panamanian tariffs on many U.S. agricultural goods were cut from the start, but others on more sensitive goods like rice, dairy, pork and chicken were to be phased out over 15-20 years. Panama maintains that phasing them out could jeopardize agricultural jobs in the country.

➤ **USDA Presses Costa Rica to Simplify Bureaucracy for Dairy Trade**

Agri-Pulse reports that although Costa Rica is a growing market for U.S. dairy exports, the country’s requirements on U.S. producers are too burdensome. Undersecretary for Trade and Foreign Agricultural Affairs Alexis Taylor said on a podcast by the International Dairy Foods Association that the department is making it

a priority to “streamline and simplify” the process to get dairy facilities registered with Costa Rica, a prerequisite for U.S. producers to export to the Central American country.

The ministry doesn’t require on-site inspections of U.S. facilities, but it can take more than half a year to get each U.S. facility approved amid the lengthy questionnaires and voluminous paperwork. Meanwhile, the U.S. exported a record \$40 million worth of dairy and dairy products to Costa Rica in 2022, according to USDA data.

➤ **USDA Expands Specialty Crop Insurance Options**

USDA Risk Management Agency (RMA) is considering some additional steps that could help address the challenges faced by fruits, vegetables and other specialty crops growers.

To try to make the Whole Farm Revenue Protection (WFRP) program more attractive to growers, RMA is planning revisions in 2024 that will allow all eligible producers to qualify for 80% and 85% coverage levels. RMA also will allow producers to buy catastrophic-level policies under WFRP.

For crops not covered by another type of policy, RMA is expanding the yield history that’s used to calculate WFRP revenue coverage from four years to 10 years. Another change will allow producers to customize their WFRP coverage by choosing at claim time whether other policies should be considered their primary insurance.

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➤ **USDA Says it Received More Requests to Insure Double-Cropped Acres**

The Agriculture Department says it received over 4,100 new requests for crop insurance coverage after relaxing rules to allow producers in more than 1,500 counties to insure double-cropped acres.

Nearly 1 million crop acres were insured in states that saw double-cropping rule changes, which is up 43% from the average between 2014 and 2022, USDA said in a press release.

The agency said Illinois, Ohio and Michigan — three states that saw double cropping rule changes — also saw increases in winter wheat plantings. Winter wheat plantings in Illinois, it said, jumped nearly 40%, while increasing 30% in Ohio and 21.5% in Michigan.

The rule changes were a key part of the White House’s bid to bolster wheat production in response to the war in Ukraine, though the National Association of Wheat Growers previously estimated that the amount of wheat able to be grown under the new rules would fall below what would be needed to offset losses resulting from the conflict.

➤ **FAO Releases Report on Impact of Disasters on Global Food Security**

Over the last 30 years, an estimated \$3.8 trillion worth of crops and livestock production has been lost due to disaster events, corresponding to an average loss of \$123 billion per year or 5% of annual global agricultural gross domestic product (GDP), [according to a new report](#) released by the Food and Agriculture Organization of the United Nations (FAO).

The report says that over the last three decades, disasters — defined as serious disruptions to the functioning of a community or society — inflicted the highest relative losses on lower and lower middle-income countries, up to 15% of their total agricultural GDP.

Disasters also had a significant impact on Small Island Developing States, causing them to lose nearly 7% of their agricultural GDP.

International Crop & Weather Highlights

➤ **El Nino worries Brazil soy farmers as planting progresses**

19 October 2023 by Roberto Samora, Reuters - Soybean farmers in top growing state Mato Grosso worry that scarce rains and high temperatures will lead to replanting of some areas while lowering yields in others, said local grain farmer lobby Aprosoja-MT on Thursday.

The unusual heat and dryness has been linked to the El Nino weather pattern, which is also causing a severe drought that is draining Amazonian rivers and disrupting grains shipments in the North of Brazil.

In the South of the country, El Nino has slowed soy planting as excess rains make farmers in third biggest producer Rio Grande do Sul afraid to start sowing, crop agency Emater-RS said.

Aprosoja-MT said extreme weather conditions could increase costs for farmers who have to replant their soy and could cause sowing of Brazil’s second corn and cotton to miss the ideal climate window in the Center-West.

So far, however, the government and analysts still believe Brazil will reap a record soy crop between 162 and 164 mmts in 2023/24.

According to Aproclima, Aprosoja-MT’s climate monitoring project, some regions in the south of Mato Grosso have recorded temperatures above 44 degrees Celsius (111.2 degrees Fahrenheit). Accumulated precipitation over the last seven days was below average in Mato Grosso, adding up to less than 20 millimeters (0.8 inch) of rain over areas where it rained the most, LSEG data shows.

Mato Grosso accounts for nearly 30% of soybean production in Brazil, the largest global producer and exporter of this commodity.

In recent days, dry weather has pushed back soy planting there. Further delays are likely as the prospect of rain for next week are not ideal.

"We have many places in need of replanting, but the assessment will be done after it rains and when it rains," Fernando Cadore, president of Aprosoja-MT, said in a statement sent to Reuters. "With high temperatures ... the situation is very worrying, extremely adverse," he added.

➤ **USDA/WAOB Joint Agricultural Weather Facility – 14th October 2023**

Europe – Mostly Warm And Dry, But More Rain In The North

- Dry and warm weather across western and southern Europe accelerated summer crop harvesting and winter crop emergence, though topsoil moisture has become limited from southern France into the Balkans. Summer-like heat heightened evapotranspiration rates in Spain, Italy, and France.
- Showers favored winter crop establishment in northern Germany, Poland, and the Baltic States.

Western FSU – Much-Needed Showers In Southwestern Russia

- Moderate to heavy showers in southwestern Russia and eastern Ukraine provided much-needed soil moisture for winter wheat emergence and establishment.
- Unfavorable dryness persisted for winter crop emergence over southwestern Ukraine and Moldova.

Middle East – Mostly Dry Weather Returned To Turkey

- Mostly dry weather returned to Turkey; soil moisture remained overall favorable for winter grain establishment save for the country's northwestern Thrace Region.
- Seasonably dry weather lingered elsewhere, though showers boosted soil moisture for emerging winter wheat and barley in northeastern Iran's Khorasan Province.

South Asia – Monsoon Withdrawal

- The southwest monsoon continued to retreat, ushering in drier weather for maturing kharif crops in India.

East Asia – Drier Weather

- Mostly dry weather supported summer crop maturation and harvesting in China, with freezing temperatures in the northeast ending the growing season.

Southeast Asia – Late-Season Rainfall

- Downpours continued across Thailand and environs, benefiting later-planted rice and bolstering irrigation supplies.

Australia – Mostly Dry In The Wheat Belt

- In the east, warm, sunny weather aided development of immature winter crops in the south, while hot, dry weather in the north spurred early wheat harvesting and a limited amount of summer crop sowing.
- In the west, hot, dry weather stressed immature winter crops but favored early harvesting.

South America – Soybean Planting Advanced In Central Brazil

- Rainy weather in southern and central Brazil maintained generally favorable prospects for soybeans and other emerging summer crops, although drier weather would be welcome for some water-logged crops in Rio Grande do Sul.
- In Argentina, warm, sunny weather spurred rapid development of winter grains, but moisture remained limited in many locations for normal development of both winter and early sown summer crops.

Mexico – Two Tropical Storms Strike Southwestern Mexico

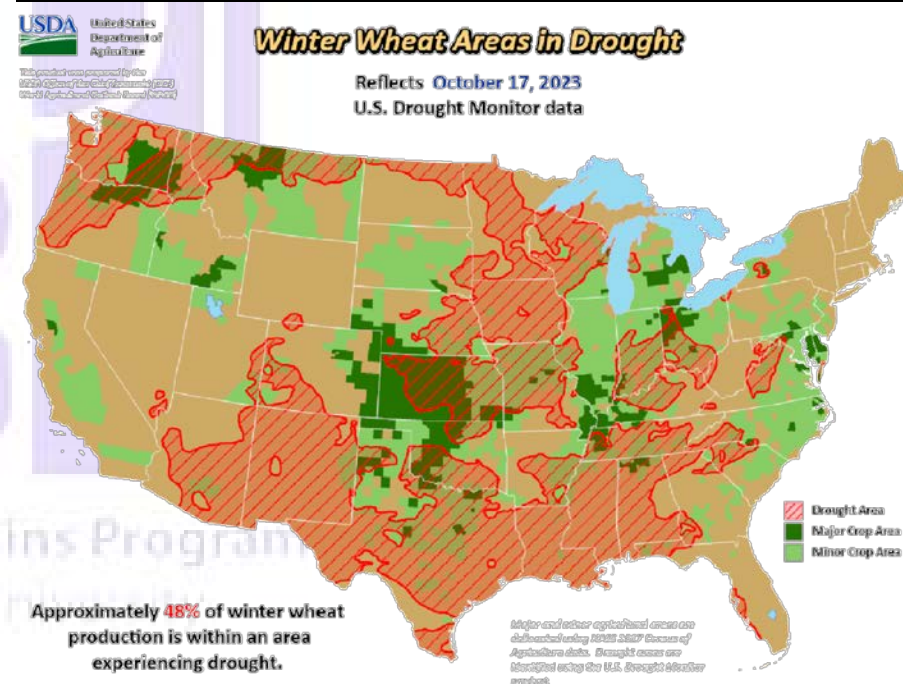
- Tropical Storm Max generated heavy rain along the southern coast just days before Hurricane Lidia struck the southwestern coast with maximum sustained winds of 120 knots.

Canada – Sunny Skies Aided The Final Stages Of Spring Crop Harvesting

- Conditions favored harvesting of Prairie spring grains and oilseeds. .

Source: USDA <https://www.usda.gov/oce/weather-drought-monitor/publications>

➤ **U.S. Agricultural Weather Highlights – Friday the 1st of September 2023**



In the West, In the West, dry weather and above-normal temperatures remain favorable for summer crop harvesting and winter wheat planting and emergence. However, parts of the Northwest lack moisture for proper establishment of fall-sown

crops. On October 15, topsoil moisture was rated 81% very short to short in Washington, along with 67% in Oregon.

On the Plains, warm, dry weather prevails. Today's high temperatures should range from around 65°F along the Canadian border to 90°F or higher across portions of the southern Plains. Drought-affected areas near the Canadian border and across portions of the southern and east-central Plains have limited moisture for winter wheat establishment. On October 15, topsoil moisture was rated 70% very short to short, statewide, in Montana, Kansas, and Texas.

In the Corn Belt, rain lingers early today in parts of Indiana, Ohio, and Michigan. Today's high temperatures will greatly vary, remaining below 60°F in the eastern Corn Belt and in the vicinity of the Great Lakes—but reaching 80°F or higher in parts of the western Corn Belt, including much of Nebraska and parts of South Dakota. Due to the late-season warmth and pervasive dry soils, corn and soybean harvesting in the western Corn Belt continues to advance rapidly.

In the South, a few showers are occurring in southern Florida and from the Tennessee Valley to the middle Atlantic Coast. Elsewhere, dry weather continues to promote autumn fieldwork. However, very warm, dry weather in the drought-affected western and central Gulf Coast States is adversely affecting some pastures and fall-sown crops.

Outlook: A low-pressure system currently crossing the Great Lakes region will intensify along the northern Atlantic Coast during the weekend. Event-total precipitation in the Northeast should reach 1 to 2 inches or more. In the storm's wake, cool, breezy weather will prevail in the Great Lakes and Northeastern States. Early next week, frost and freezes may occur in the East as far south as the Ohio Valley. Much of the remainder of the country will experience warm, tranquil weather until early next week, when a Pacific storm system will arrive in the West. At that time, a complex interaction between the new storm and tropical moisture (from the eventual remnants of eastern Pacific Hurricane Norma) should lead to increasingly unsettled weather spreading eastward across the country. Five-day precipitation totals should reach 1 to 2 inches in parts of the North-west—where snow will begin to fall—and from the southern Plains into the upper Great Lakes region. Sharply colder air will trail the storm, starting in northern sections of the Rockies and Plains.

The NWS 6- to 10-day outlook for October 25 – 29 calls for the likelihood of above-normal temperatures in parts of California and east of a line from eastern Texas to Lower Michigan, while colder-than-normal conditions will cover the Plains, Northwest, and upper Midwest. Meanwhile, near- or below-normal precipitation along and near the Atlantic and Pacific Coasts should contrast with wetter-than-normal weather from the Rockies and Intermountain West to the western slopes of the Appalachians.

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 Mt = 1000 kg, approximately 2204 lbs.

American or Short Ton = 2000 lbs.

British Mt or Long Ton = 2240 lbs.

Metric mtss to Bushels:

- Wheat, soybeans = metric mtss * 36.7437
- Corn, sorghum, rye = metric mtss * 39.36825
- Barley = metric mtss * 45.929625
- Oats = metric mtss * 68.894438

Metric mtss to 480-lbs Bales

- Cotton = metric mtss * 4.592917

Metric mtss to Hundredweight

- Rice = metric mtss * 22.04622

Area & Weight

- 1 hectare = 2.471044 acres
- 1 kilogram = 2.204622 pounds

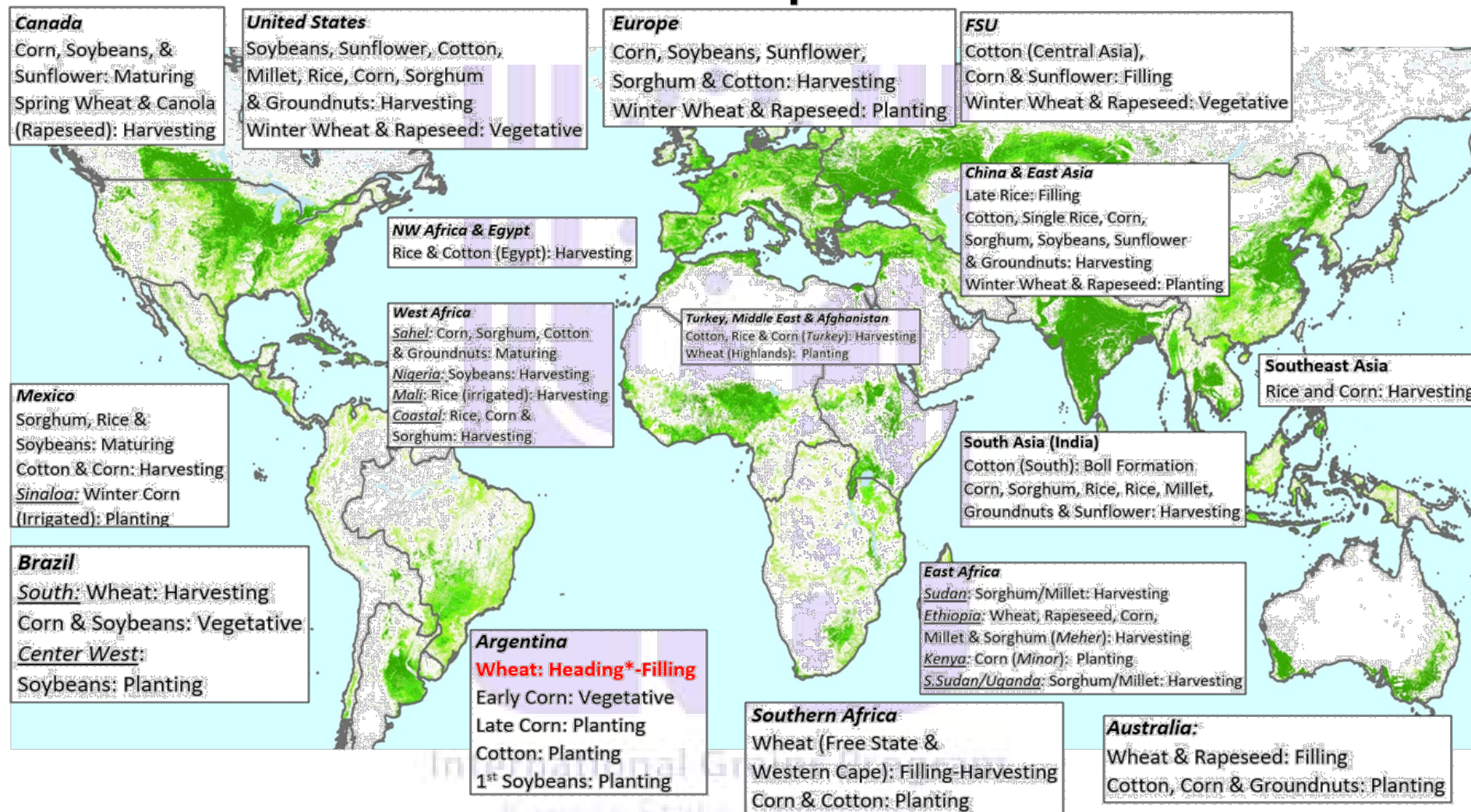
➤ Marketing Years (MY)

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:

Wheat	Corn	Barley	Sorghum
Argentina (Dec/Nov)	Argentina (Mar/Feb)	Australia (Nov/Oct)	Argentina (Mar/Feb)
Australia (Oct/Sep)	Brazil (Mar/Feb)	Canada (Aug/Jul)	Australia (Mar/Feb)
Canada (Aug/Jul)	Russia (Oct/Sep)	European Union (Jul/Jun)	United States (Sep/Aug)
China (Jul/Jun)	South Africa (May/Apr)	Kazakhstan (Jul/Jun)	
European Union (Jul/Jun)	Ukraine (Oct/Sep)	Russia (Jul/Jun)	
India (Apr/Mar)	United States (Sep/Aug)	Ukraine (Jul/Jun)	
Kazakhstan (Sep/Aug)		United States (Jun/May)	
Russia (Jul/Jun)			
Turkey (Jun/May)			
Ukraine (Jul/Jun)			
United States (Jun/May)			

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.

October Crop Calendar



***Crop stage sensitive to moisture and temperature stresses.**



U.S. Department of Agriculture (USDA)
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https://ipad.fas.usda.gov/ogamaps/images/sept_calendar.gif