Notes and Observations in International Commodity Markets

16 December 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*

Contents

GRAIN MARKETS MOSTLY FIRM ON FRIDAY SLOWING DAWNWARD TREND

Markets saw a little support at the end of the week, which causes me to ponder if we have hit bottom. China appears to be returning to the US market, as South America is now down to the last of this marketing year's inventories. Also a lot of marco-economic news in the market.

At a political gathering, President Xi Jinping noted while their economic recovery is improving its still at a critical stage. He pledged to support growth with proactive fiscal and monetary policy in the New Year.

Argentina will be interesting to watch in coming months as the new president tries to perform a major overhaul of the economy. We will see how successful he can be.

Argentina has suspended export registrations for grain and oilseeds in order to stop the selling spree which saw 1.7 mmts in corn export licenses along on Monday. Market is waiting for policy details from new Argentine government. So far, the 55% currency devaluation to 800:1, is about the only clear change given, which helps raise the value of exported crops for farmers. Milei has promised to eliminate soy export taxes, but this takes an act of congress, which does not appear likely at this point. With the peso devalued, the government's export tax revenue would increase *considerably when licenses are re-instated. There will likely be a temporary increase in taxes on imports, but they promised to scrap the permit system for imports down the road. Export taxes on agricultural products will be removed once the economic crisis is over as well, but may see a short term increase to help improve the deficit. Many of the specifics were not provided in the televised address.*

IMF which is owed $43B by Argentina, welcomed Caputo's financial measures yesterday. "These bold initial actions aim to significantly improve public finances in a manner that protects the most vulnerable in society and strengthen the foreign exchange regime".

I hope you are enjoying the holiday season, and you will see the next report early in the new year! 😉

➢ China's 2023 soybean output up 2.8% year-on-year, corn up 4.2%

11December 2023 - China's soybean output for 2023 has reached 41.68 billion jin (20.84 mmts), which was a 1.12 billion jin, or 2.8%, increase from last year, according to data published on Monday by China's National Bureau of Statistics.

Soybean-grown areas expanded by 2.2% from 2022 to reach 157 mu mt this year. Overall, the output of bean crops reached 23.84 mmts, which was also a 1.4%, increase from last year.

For corn, output reached 288.84 mmts this year, a 4.2% increase from last year, while rice and wheat production stood at 206.6 mmts and 136.59 mmts, representing a 0.9% and 0.8% decline year-on-year, respectively.

Unfavorable natural conditions in China this summer, including heavy rains, had led to a 0.8% decrease in summer grain output, which reached 146.15 mmts. But as some drylands in northern China had better moisture this autumn thanks to frequent rains, the output of autumn grain crops increased by 1.9% from 2022 to reach 520.92 mmts.

The autumn and summer crops, combined with around 28.34 mmts of early rice crops, brought the whole year grain output to around 695 mmts, which was a 1.3% increase from a year ago and marks the ninth year when annual grain output reaches over 650 mmts, according to the statistics bureau. There were fears in the market in the summer that China's wheat quality had suffered from the heavy rains and a large portion would need to be downgraded to feed wheat.

Meanwhile, China has been in the market over the last few weeks buying large quantities of wheat from China and the US.

➢ Argentine old and new crop farmer sales accelerate

6 December 2023 Reuters - Argentine old and new crop farmer sales rose for soybean, corn and wheat in the week ending November 29th, data from the country's agriculture secretariat showed Wednesday.

Sales of the 2023/24 soybean crop rose by 45.2% to 183,000 mts during the week, while sales of the 2022/23 crop surged 108% to 211,000 mts.

The new sales took the total amount for the 2023/24 crop to 1.8 mmts sold, which is 18.8% lower than the 2.3 mmts reported at the same point in 2022.

Regarding the 2022/23 crop, 16.4 mmts has been sold to date, down 49.5% from the 32.6 mmts sold at the same point last year.

Export license applications for the 2023/24 crop reached 440,000 mt, while 371,000 mt was reported a year ago.

Applications for export of the 2022/23 crop came to 2 mmts, much lower than the 5.5 mmts reached at the same point last year.

Corn - Farmer sales of the 2023/24 corn crop were up by 71.8% at 177,000 mt, while sales of the 2022/23 crop increased 19.2% to 699,000 mt.

On a cumulative basis, 4.1 mmts of the 2023/24 crop has been sold to date, down 36.2% from the 6.5 mmts seen at the same point last year.

Total sales of the 2022/23 crop reached 27.8 mmts, 35.2% lower than at the same point last year.

Export license applications for the 2023/24 crop amounted to 6.3 mmts, while 10.2 mmts were issued at the same point in 2022.

Export applications for the 2022/23 crop amounted to 23.5 mmts, a 28.3% drop from a year earlier.

Wheat - Farmer sales of the 2023/24 wheat crop rose 106% to 463,000 mt during the week, while sales of the 2022/23 crop were 21% higher at 67,000 mt.

A total of 3.4 mmts of the 2023/24 crop has been sold so far, down sharply from 6 mmts at the same point in 2022.

Cumulative sales of the 2022/23 crop reached 12.7 mmts compared with 22.9 mmts a year ago.

There were no export license applications for the 2023/24 crop – again in sharp contrast to the 8.8 mmts noted at the same point in the previous season.

Export applications for the 2022/23 crop stood at 8.8 mmts, down 38.9% from a year earlier.

GHA: The Argentine farmer is estimated by the trade to have sold +/-80% of last year's 35 mmts supply, netting out domestic usage for DJF; and may have an estimated +/-2 mmts of corn left to export.

➢ Brazil 2023 soy, corn exports to be record

6 December 2023 Reuters - Brazilian exporters will send record volumes of both soybeans and corn to export markets in 2023, according to projections released on Wednesday by trade group Anec based on shipping schedules until the end of the year.

Brazilian corn exports are expected to reach 55.94 mmts in 2023, compared with 44.7 mmts in 2022, while soybean exports are estimated at 101.1 mmts, up from 77.8 million in 2022, said the association that represents large grains traders including Cargill and Bunge.

➢ U.S. Agricultural 2024 Exports at $169.5 B; Imports at $200.0 B

30 November 2023 USDA ERS – U.S. agricultural exports in fiscal year (FY) 2024 are projected at $169.5 billion (table 1), down $2.5 billion from the August forecast.

This revision is primarily driven by reductions in grain and feed, as well as livestock, poultry, and dairy exports.

Overall grain and feed exports are projected to decrease by $1.3 to $37.5 billion.

Wheat exports are forecast down $800 million to $6.0 billion on lower unit values and ongoing competition from Russia and the European Union (EU).

Corn exports are forecast down $500 million to $12.8 billion due to lower unit values, as ample global supplies continue to ease prices.

Sorghum exports are projected $200 million lower due to a smaller U.S. crop.

Soybean exports are projected $500 million lower from the August forecast to $26.0 billion on lower exportable supplies. Overall oilseed and product exports are forecast at $37.2 billion, down $300 million as decreases in soybean and soybean oil exports more than offset an increase in soybean meal exports.

Cotton exports are forecast at $5.7 billion, down $100 million due to lower unit values. The forecast for ethanol exports is raised by $300 million to $3.6 billion due to higher volumes more than offsetting lower unit values. Horticultural product exports are unchanged at $39.5 billion.

Livestock, poultry, and dairy exports are forecast to decrease by $1.3 billion to $36.3 billion due to declines across most products. Beef exports are projected $300 million lower to $8.2 billion due to continued tight U.S. supplies. Pork exports are forecast down $300 million to $6.6 billion on weaker demand from most Asian markets. Poultry and products are projected down $200 million to $6.6 billion due to lower broiler meat volumes. Dairy products are forecast down $200 million to $7.2 billion on decreased price competitiveness.

Table 1–U.S. agricultural trade, fiscal years (FYs) 2018–2024 1/

Item	2018	2019	2020	2021	2022	2023	Forecast Fiscal year 2024 August	Forecast Fiscal year 2024 November
	Billion U.S. dollars							
Exports	148.6	140.1	139.7	171.8	193.1	178.7	172.0	169.5
Imports	136.5	141.4	143.4	163.3	194.2	195.4	199.5	200.0
Balance	12.1	-1.3	-3.7	8.5	-1.1	-16.7	-27.5	-30.5

Note: Due to rounding, balance may not agree with import and export data.

1/ Fiscal year is defined as October 1 of previous year through September 30 of current year.

Sources: USDA, Economic Research Service and USDA, Foreign Agricultural Service analysis and forecasts using data from U.S. Department of Commerce, Bureau of the Census.

Agricultural exports to China are forecast at $29.5 billion, down $500 million from the August projection. Exports to Mexico and Canada are forecast at $27.9 billion and $27.7 billion, respectively.

U.S. agricultural imports in FY 2024 are forecast at $200.0 billion, up $500 million from the August projection, largely driven by the strong U.S. dollar and resilient domestic demand for agricultural imports, especially for beef and veal, vegetable oils, and grain products.

The forecasts in this report are based on policies in effect at the time of the November 9, 2023, World Agricultural Supply and Demand Estimates (WASDE) release and the U.S. production forecasts thereof.

Export Products

FY 2024 U.S. grain and feed exports are forecast at $37.5 billion, down $1.3 billion from August mainly on lower unit values for wheat and corn. Wheat exports are forecast at $6.0 billion, down $800 million from the August forecast mostly on lower unit values. International and U.S. wheat prices have been trending lower due to stiff, ongoing competition from Russia and the EU. Corn exports are forecast at $12.8 billion, down $500 million from the August forecast on lower unit values more than offsetting slightly higher volumes. Ample U.S. and Brazilian corn supplies continue to ease global prices. Sorghum exports are forecast at $1.4 billion, down $200 million from the August forecast, primarily on lower volumes. U.S. sorghum production is forecast down from the prior quarter, though competition from Australia is also expected to ease as it faces a smaller crop as well. Feed and fodder exports are forecast at $10.1 billion, down $200 million from August on modestly lower volumes. Rice exports are forecast at $2.0 billion, up $200 million from August as larger volumes are only partially offset by lower unit values. With a larger crop, U.S. rice exports are expected to rebound to markets in Mexico, Central and South America, and East Asia.

FY 2024 oilseed and products exports are forecast at $37.2 billion, down $300 million from the August forecast. Soybean export values are reduced $500 million from the August forecast to $26.0 billion on lower exportable supplies driven by smaller U.S. production and increased competition from South America. Soybean meal is forecast $200 million higher from August to $6.1 billion on higher volumes due to strong export sales commitments and low exportable supplies for Argentina. Soybean oil export values are reduced to $200 million on lower export volumes and unit values.

FY 2024 cotton exports are forecast down $100 million from August to $5.7 billion on lower unit values. Lower prices are attributed to poor U.S. export sales outside China and recent macroeconomic pressures. These pressures include the sustained level of U.S. interest rates and a slowing rate of global economic growth.

FY 2024 livestock, poultry, and dairy exports are forecast $1.3 billion lower to $36.3 billion on declines across most products. Beef is down $300 million to $8.2 billion on reduced supplies as herd contraction lowers domestic production. Pork exports are forecast $300 million lower to $6.6 billion amid weaker demand from most Asian markets. Poultry and products are down $200 million to $6.6 billion on lower broiler meat volumes as well as continued weakness in chicken paw shipments to China (note that this forecast is based on the *WASDE* of November 9 and excludes modifications in China's restrictions on U.S. poultry as of November 10). Dairy is forecast down $200 million to $7.2 billion on decreased price competitiveness for U.S. exports of a number of products including skim milk powder, whey, cheese, and butter. Beef and pork variety meats are unchanged at $2.2 billion. The forecast for hides and skins is unchanged.

FY 2024 U.S. horticultural product exports are unchanged from the August forecast at $39.5 billion. Whole and processed tree nuts are unchanged at $9.0 billion, with most shipments destined for Europe and Asia. Processed fruits and vegetables are unchanged at $7.7 billion on steady shipments to Canada. Fresh fruit and vegetables are unchanged at $7.1 billion on stable shipments to top markets Canada and Mexico.

The FY 2024 U.S. ethanol exports forecast is raised $300 million from August to $3.6 billion, up $70 million from the previous year. FY 2024 export volumes are raised from August to 1.7 billion gallons. The gains in volume more than offset lower unit values leading to a higher export value. Lower U.S. corn prices provide relief to near record-high ethanol prices, thus boosting export competitiveness and resulting in higher shipments. The competitive threat from Brazil to limit U.S. export expansion is reduced. Rising fuel ethanol use in Canada, supported by provincial policies led by Quebec and Ontario, drive most of the gain while sales to the United Kingdom (U.K.) remain strong. These markets more than offset weaker nonfuel sales to India and South Korea as well as potentially lower sales to the EU. Sales to Brazil remain at very modest levels by historical standards.

Import Products

U.S. agricultural imports in FY 2024 are forecast at $200.0 billion, $4.6 billion more than the $195.4 billion recorded for FY 2023 and $500 million more than the August forecast.

In FY 2023 and early FY 2024, the dollar has generally remained strong against global currencies, which supports growing U.S. imports. Going into FY 2024, domestic demand for agricultural products remains resilient, although consumer expectations of a slowing U.S. economy could cool demand. Continued moderation of global inflation also has impacted import values. In FY 2023, there was a broad decrease in agricultural product prices following the highs experienced in later FY 2022 and early FY 2023, which has contributed to reduced imports values. Agricultural prices going into FY 2024 have generally stabilized and no longer exert the same degree of drag on import values. Import values slowed from 35 percent growth over the 2 years from FYs 2020 to 2022, to only 1 percent growth from FY 2022 to FY 2023. These factors support a growth forecast in year-to-year import values of 2.4 percent for FY 2024. While this rate is above the FY 2023 growth rate, the projection is still well below the average annual growth rate of 7 percent over the last 20 years. In addition to growth in import values, there have been noticeable shifts in trade patterns with an increasing share of imports coming from North America and Europe and a decreasing share from Asia, particularly Southeast Asia.

Horticultural products are the largest component of U.S. agricultural imports comprising approximately half of total import value. In FY 2024, U.S. horticultural products are forecast at $98.4 billion or 2 percent above the FY 2023 value. This represents a downward adjustment of $900 million, or 1 percent, from the August forecast. FY 2024 imports of fresh fruits are revised downwards by $100 million to $18.5 billion. This downward revision stems from a mix of factors. Demand appears to be stabilizing alongside the easing of drought in western States, which has supported improved domestic growing conditions for some fruits, vegetables, and tree nuts. Early FY 2024 import prices are easing for select fruits and vegetables, but most fruit and vegetable prices are marginally higher. The variance in prices is especially pronounced for crops and regions that are affected by the current El Niño weather pattern. El Niño conditions can cause extreme heat and drought, as well as strong storms in different parts of the world—all of which have the potential to negatively impact crop production in affected regions. Despite the downward revision from the August forecast, continued strong prices support a 3-percent, year-to-year increase in fresh fruit import values. U.S. import volumes of fresh fruits are adjusted up 100,000 mts, a 2-percent increase over FY 2023 levels.

FY 2024 imports of processed fruits are forecast $200 million, or 2 percent lower than the August Outlook as early reports indicate slower frozen and dried fruit imports than were previously expected. At $8.5 billion, FY 2024 processed fruit imports are valued at 1 percent above FY 2023. Like the forecast value, processed fruit import volumes are adjusted down 100,000 mts to 2.2 mmts and are now 2 percent above FY 2023. Forecast FY 2024 imports of fruit juices are adjusted up $200 million to $3.4 billion. Orange juice is the primary driver in the juice import market. The price of orange juice has been increasing since 2022 and is expected to continue to rise into FY 2024. Supplies of oranges for use in the juice market are tight as production in the United States, Brazil, and Mexico has been relatively weak and an increasing share of U.S.-grown oranges are shifted to fresh sales. In response to the rising prices and tight global supplies, the FY 2024 import volume of fruit juice is decreased by 200 million liters to 5.7 billion liters.

The FY 2024 forecast of fresh-vegetable imports is unchanged from August and remains at $12.7 billion, or 1 percent above FY 2023 values. Fresh vegetable import volumes are decreased by 100,000 mts. Early FY 2024 reports suggest stagnant import volumes relative to the previous season. Dry weather conditions in key growing regions of Mexico, the source of more than 70 percent of U.S. fresh vegetable imports, is a significant contributing factor. Imports of processed vegetables are unchanged from the previous forecast and remain at $8.1 billion. The processed vegetable volume forecast is adjusted down 200,000 mts to 5.3 mmts, and 4 percent above FY 2023.

Wine imports in FY 2024 are forecast down from the August Outlook by $300 million to $7.3 billion. This downward revision reflects lower prices and weakening demand as consumers increasingly shift consumption towards alternative alcoholic beverages. Wine volume is reduced by 100 million liters to 1.5 billion. Other alcoholic beverages are unchanged. The import forecast for cut flowers and nursery stock in FY 2024 is reduced by $300 million from the August forecast to $3.4 billion.

The FY 2024 sugar and tropical products import forecast is adjusted up from last quarter's figure by $200 million to $29.4 billion. This net upward adjustment is supported by developments in the cocoa and coffee markets. Cocoa and product imports are adjusted up $400 million to $6.2 billion, or 2 percent above the FY 2023 import value. Cocoa futures have continued a year-long upward trend on expectations that the El Niño weather phenomenon will continue to negatively affect production. Heavy rains in the main cocoa production areas of Western Africa (e.g., Côte d'Ivoire and Ghana) are creating a scenario for poor conditions, disease, and transportation challenges. These factors have already affected both quantity and quality of the crops. Coffee imports are forecast down $200 million to $9.5 billion from the previous forecast, a 2-percent increase from FY 2023. After declining prices in FY 2023 coffee prices have continued to fluctuate around these more moderate levels into FY 2024. While global supplies remain tight, marginally larger global production is expected, especially from Brazil, the largest supplier to the United States. However, imports from Brazil continue to be dampened by the strong value of the Brazilian real relative to the U.S. dollar.

FY 2024 sweeteners and product imports are unchanged from the prior forecast at $7.6 billion, or 3 percent above FY 2023. Domestic sugar prices remain historically high after continually growing from lows experienced in FY 2020. Although domestic sugar production is expected to be slightly lower than in FY 2023, U.S. imports are projected to decrease. Tight supplies remain and support higher prices that contribute to the increase in the total value of U.S. sugar and sweeteners imports.

FY 2024 livestock, poultry, and dairy imports are forecast $500 million higher than the August Outlook to $27.0 billion as increased beef, pork, and dairy imports far exceed lower poultry imports. Beef imports are forecast $400 million higher to $8.9 billion as tight domestic supplies are expected to encourage increased imports. Pork imports are forecast $100 million higher to $2.0 billion, mainly from Canada. Dairy imports are raised $100 million to $5.4 billion as higher domestic butter prices supports demand for imported butter from Ireland and New Zealand. Live cattle imports are forecast $100 million higher as tight domestic cattle supplies spur greater quantities of imports—particularly from Mexico. Live swine import values are unchanged. Poultry and products are forecast $100 million lower to $1.2 billion as an improved outlook for domestic production reduces import demand.

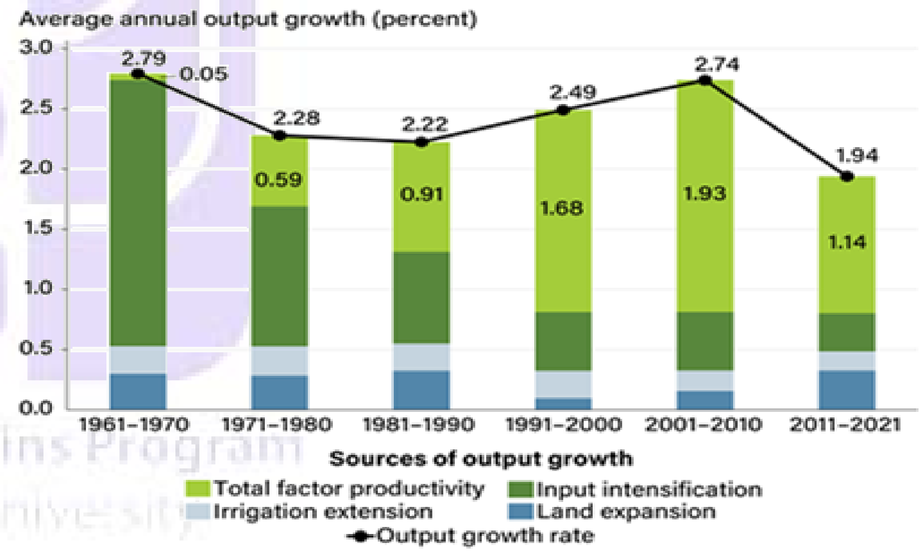
The forecast for FY 2024 imports of grains and feeds is increased by $300 million from the prior forecast to $21.9 billion. The largest component of grains and feeds involves processed food and feed products with grains as a main ingredient. These include flours, pasta, and prepared foods such as baked goods, corn chips, and breakfast cereals. These processed food product imports—especially those from Canada and Mexico—have been growing. In contrast, lower prices of feed products have resulted in declining import values, especially from Southeast Asia, which historically has been a key supplier of these goods. In FY 2024, a larger share of feed ingredients is expected to come from Canada and Europe.

FY 2024 imports of oilseeds and products are expected to be $500 million higher than the previous forecast to $19.2 billion. Much of this change is attributed to a $400-million increase in vegetable oil imports to $11.8 billion. Growth in vegetable oil import values is mainly driven by the rising value of canola and olive oil imports. However, imports of processed oils and fatty acids also contribute. Much of the growth comes from additional import volumes associated with expanding biofuel demand. As such, the forecast for FY 2024 import volumes of vegetable oils is adjusted upward by 300,000 mts to 6.8 mmts. Higher canola oil import volumes from Canada are forecast despite Canada's production being challenged by dry conditions. Palm oil imports are also expected to be robust given the abundant supply and moderate prices. While palm oil prices are expected to remain moderate, limited global supply of olive oil has supported high prices and resulted in the rising value of U.S. olive oil imports. Prices are expected to remain elevated into FY 2024 based on low global stocks—especially in the EU, the world's primary olive oil producer, consumer, and exporter. If the next harvest is similarly impacted by poor growing conditions, high prices for olive oil are expected to persist—further impacting import demand. The category other agricultural imports are forecast down by $100 million in FY 2024 on declining unit values of those products.

Citation: Kenner, B., Jiang, H., & Kaufman, J. (2023). Outlook for U.S. agricultural trade: November 2023 (Report No. AES-126). U.S. Department of Agriculture, Economic Research Service and USDA, Foreign Agricultural Service.

- **World Agricultural Output and Productivity Growth Have Slowed**

Growth rate in global agricultural output slowed over past decade as rate of total factor productivity (TFP) slowed



Note: **TFP** = total factor productivity. TFP measures the amount of agricultural output produced from the combined set of land, labor, capital, and material resources used in farm production. **Input intensification** is the increased use of resources per acre to increase production.

Source: USDA, Economic Research Service (ERS) using the ERS International Agricultural Productivity data product, September 2023 update.

7 December 2023 USDA ERS, by Keith Fuglie, Stephen Morgan, and Jeremy Jelliffe
Agriculture draws on significant land and water resources as well as manufactured goods to produce food and industrial raw materials for textiles and biofuel to meet the needs of a growing world population. Increasing agricultural productivity helps meet these demands using existing resources. The USDA, Economic Research Service data product on International Agricultural Productivity tracks the total volume of global agricultural output (the amounts of crop, animal, and aquaculture commodities produced at constant prices) and the total amounts of land, labor, capital, and materials (inputs) used to produce this output for the world as a whole and for individual countries. Over the last six decades (1961 to 2021), world agricultural output increased at an average annual rate of 2.3 percent, faster than the 1.2-percent average growth rate for input use. This means world agricultural total factor productivity (TFP)— the ratio of total output to total input—grew 1.1 percent a year. In other words, improvement in total productivity was responsible for nearly half the growth in world agricultural production.

The accompanying chart shows the average rate of world agricultural growth by decade since the 1960s and breaks down the sources of that growth into the shares from four changes:

- bringing more land into production (without changing yields),
- extending irrigation to land,
- raising yields by intensifying the use of capital, labor, and material inputs per unit of land, and
- improving total factor productivity.

In the 1960s and 1970s, the additional use of resources such as fertilizers—known as input intensification—to increase yields was the main driver of world agricultural growth. Since the 1990s, growth in agricultural TFP has been the major source of output growth. Agricultural TFP increases when farmers adopt new technologies and practices that help them use their resources more efficiently. In addition, long-term investments in research and development (R&D) are key to determining how well agricultural TFP growth can be sustained.

From 2011 to 2021, world agricultural output grew at an average annual rate of 1.94 percent, far slower than the 2.74-percent growth of the previous decade (2001–2010). The slowdown primarily was tied to a slowing rate of growth in agricultural TFP, which declined to 1.14 percent a year in 2011–21 from 1.93 percent a year the previous decade. The effects of slower productivity have been widespread around the world.

Several factors may have contributed to the slowing growth rate for world agricultural productivity. Climate change is increasing the frequency of extreme weather events, which could lead to a reduction in average yields. Public and private investments in agricultural R&D may not be keeping pace with the need for new technologies, including technologies to address challenges from changing climate conditions, pests, and diseases. Lack of access to, or restrictions on, the use of some new technologies, barriers to trade, and global conflict and war also have had detrimental effects on agricultural production and productivity.

U.S. DOLLAR & FOREIGN EXCHANGE

➢ **<u>U.S. Dollar Index – Daily Nearby</u> as of the 13th of Dec 2023**

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

➢ **<u>Major Foreign Exchange Rate Indicators:</u> as of the 12th of Dec 2023**

	TW	LW	Year ago	% Chg, yoy
Argentina (ARS)	366.450	363.000	171.430	+114
Australia (AUD)	1.525	1.527	1.484	+3
Canada (CAD)	1.361	1.358	1.365	-
Euro (EUR)	0.927	0.927	0.948	-2
Kazakhstan	455.590	461.000	469.590	-3
Russia (RUB)	90.146	90.202	62.000	+45
Ukraine (UAH)	36.991	36.550	36.900	-

Source: International Grains Council

Earlier this week the Argentine government temporarily suspended export registrations as they await expected new economic policy announcements. A South American source commented that Argentina's new president, Javier Milei, is not going to devalue the official peso exchange rate as much as originally expected. Which, should keep producer sales of both corn and milo on the slow side and contributing to some strength in soybean meal futures. Milei rolled out his cabinet last week which includes only 9 ministers as opposed to the prior administration's 18.

Dollar Climbs on Hawkish Fed Comments

15 December 2023 by Rich Asplund –

The US Dollar Index on Friday rose by +0.55% as it rebounded from Thursday's 4-1/4 month low. Hawkish Fed comments Friday that pushed back against imminent Fed rate cuts gave the dollar a boost. Also, the weakness in stocks Friday increased liquidity demand for the dollar.

Friday's U.S. economic news was below expectations and bearish for the dollar. The Dec Empire manufacturing survey general business conditions index fell -23.6 to a 4-month low of -14.5, weaker than expectations of 2.0. Also, Nov manufacturing production rose +0.3% m/m, weaker than expectations of +0.5% m/m. In addition, the Dec S&P manufacturing PMI unexpectedly fell -1.2 to 48.2, weaker than expectations of an increase to 49.5 and the lowest level in 4 months.

Hawkish Fed comments on Friday were supportive of the dollar. New York Fed President Williams said the question now is whether we're sufficiently restrictive and "we aren't really talking about rate cuts" now, and it is "premature" to be thinking about a March rate cut. Also, Atlanta Fed President Bostic said policymakers still need "several months" to see enough data and gain confidence that inflation will continue to fall, and he expects the Fed to begin cutting interest rates "sometime in the third quarter" of 2024 if inflation falls as expected.

The markets are discounting the chances for a -25 bp rate cut at 10% for the Jan 30-31 FOMC meeting and at 77% for the March 19-20 meeting.

EUR/USD on Friday fell by -0.81%. The euro on Friday was under pressure from a stronger dollar. Also, weaker-than-expected Eurozone economic news weighed on EUR/USD after Eurozone Dec manufacturing and service sector activity contracted more than expected. In addition, Friday's slump in the 10-year German bund yield to an 8-1/2 month low weakened the euro's interest rate differentials.

The Eurozone Dec S&P manufacturing PMI was unchanged at 44.2, weaker than expectations of an increase to 44.6. Also, the Dec S&P composite PMI unexpectedly fell -0.6 to 47.0, weaker than expectations of an increase to 48.0.

Swaps tied to ECB meeting dates are discounting the chances for a -25 bp rate hike at 8% for the January 25 ECB meeting and 57% for the March 7 meeting.

USD/JPY on Friday rose by +0.16%. On Friday, the yen gave up early gains and turned lower as hawkish Fed comments pushed the dollar higher. The yen on Friday initially moved higher on a decline in T-note yields and on comments from Japanese Finance Minister Suzuki that sparked short covering in the yen when he said the government will continue to monitor currency movements "closely."

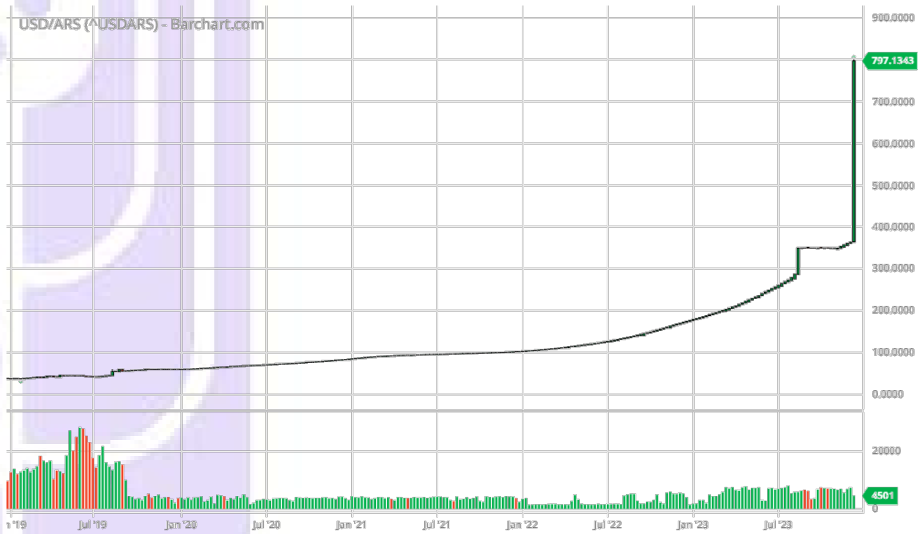
Japanese economic news Friday was mixed for the yen. The Japan Dec Jibun Bank manufacturing PMI fell -0.6 to 47.7, the weakest level in 10 months. However, the Dec Jibun Bank services PMI rose +1.2 to 52.0.

February gold (GCG4) Friday closed -9.20 (-0.45%), and Mar silver (SIH24) closed -0.232 (-0.95%). Gold and silver prices Friday settled moderately lower. A stronger dollar Friday weighed on metals prices. Also, hawkish comments Friday from New York Fed President Williams undercut gold prices when he pushed back against speculation about Fed rate cuts as soon as March. Silver prices were under pressure on industrial metals demand concerns after U.S. Nov manufacturing production, the U.S. Dec S&P manufacturing PMI, and the Japan Dec Jibun Bank manufacturing PMI reports were all weaker than expected. A supportive factor for precious metals on Friday was lower global bond yields.

Argentina devalues peso, cuts spending to treat deficit 'addiction'

12 December 2023 by Jorge Otaola and Walter Bianchi Reuters - Argentina will weaken its peso over 50% to 800 per dollar, cut energy subsidies, and cancel tenders of public works, new Economy Minister Luis Caputo said on Tuesday, economic shock therapy aimed at fixing the country's worst crisis in decades.

Argentine Peso – Weekly (5 Years)



Caputo said the plan would be painful in the short-term but was needed to cut the fiscal deficit and bring down triple-digit inflation, as he unveiled a package of measures after libertarian President Javier Milei took office on Sunday.

"The objective is simply to avoid catastrophe and get the economy back on track," Caputo said in a recorded speech. He said the country needed to tackle a deep fiscal deficit he put at 5.5% of GDP, adding Argentina had a fiscal deficit for 113 of the last 123 years - the cause of its economic woes. "We're here to solve this problem at the root," he said. "For this we need to solve our addiction to a fiscal deficit."

The South American country, a major grains producer, is battling inflation nearing 150%, central bank reserves deep in the red and two-fifths of the population in poverty. It has a wobbling $44 billion loan with the International Monetary Fund.

"I welcome the decisive measures," IMF chief Kristalina Georgieva said, calling it "an important step toward restoring stability and rebuilding the country's economic potential."

The IMF called the measures "bold" and said in a statement they would "help stabilize the economy and set the basis for more sustainable and private-sector led growth" following "serious policy setbacks" in recent months.

The country's foreign exchange and grains markets had been locked down on Tuesday as traders awaited the new government's economic plan. Banks had already anticipated a sharp devaluation, with some weakening their FX rate to 700.

Since 2019, Argentina's peso currency has been kept artificially strong by strict capital controls which create a wide gap between the official exchange rate of 366 per dollar and parallel rates as high as 1,000 per dollar.

'THE SITUATION IS CRITICAL'

Milei, a wild-haired political outsider, had campaigned with pledges for major spending cuts, often wielding a chainsaw at rallies as a blunt symbol of his plans to trim back the state.

"The situation is critical with 45% poverty and 200% annualized inflation," presidential spokesperson Manuel Adorni earlier told a press conference. "We are heading towards hyperinflation and the objective is to avoid it.

Milei's tough fiscal rhetoric - with a new mantra "there is no money" - has buoyed markets since his election win, with the S&P Merval stock index hitting a record high on Tuesday and sovereign bonds up nearly 4%.

Analysts said the new measures sent a strong message.

"The devaluation announced exceeded market expectations," said Shamaila Khan, Head of Fixed Income for Emerging Markets and Asia Pacific at UBS Asset Management. "Some details were announced on the fiscal adjustment that will be needed such as reduction of subsidies and decrease in public expenditure. Implementation will be key."

Caputo, echoing previous pledges by Milei, said the government would look to gradually erase export tariffs, something farmers have long sought. Argentina is a top exporter of processed soy oil and meal, and the no. 3 for corn.

The grains sector is expected to meet with the government late on Tuesday, Reuters reported earlier citing sources.

'THE ADJUSTMENT WILL BE PAINFUL'

The key doubt is whether Milei, whose libertarian coalition is only the third largest bloc in Congress, can implement the sharp cuts needed to undo the deep fiscal deficit without pushing the South American country towards turmoil and unrest.

"The adjustment will be painful, and the path forward is laden with economic, political and social risks," Fitch Ratings said in a report. "Milei's party has little representation in the legislature and controls no provincial governorships, alliances with more influential parties and power-brokers remain in flux, and the social situation is fragile."

The central bank, which had new president Santiago Bausili confirmed overnight in the official gazette, said it would undo "transition" checks on FX trades from Wednesday morning that had only allowed priority trades through this week.

The Economy Ministry posted on Twitter that the central bank would announce measures on Wednesday related to the interest rate, debt and monetary policy to complement its own measures.

(Reporting by Jorge Otaola, Walter Bianchi and Nicolas Misculin; Additional reporting by Eliana Raszewski, Lucila Sigal, Maximilian Heath and Rodrigo Campos; Editing by Adam Jourdan and Stephen Coates)

- **Argentina devalues peso, cuts spending in economic shock therapy**

13 December 2023 Reuters - Argentina will weaken its peso by more than 50% to 800 per dollar, cut energy subsidies and cancel public works tenders as part of an economic shock therapy aimed at fixing the South American country's worst crisis in decades.

Below are reactions from some analysts and international agencies to Tuesday's announcement:

VERISK MAPLECROFT: "Caputo focused on delivering on the key campaign pledges of ‘taking the chainsaw’ to the public sector and ‘reordering’ the economy to lay the foundations for future growth."

"The reordering of economic variables, together with inflationary inertia and accumulated inflation that had been artificially contained through price controls mean that triple digit inflation will continue to hit consumers in 2024."

"But by bringing the official FX rate closer in line to the financial, black market, and export-specific rates inherited from the Fernandez administration, Caputo has taken a decisive step towards FX rate convergence, which could be accomplished within the administration’s first six months in office."

BANCTRUST & CO: "All in all, we expect bonds to react positively to yesterday’s announcements. The fiscal adjustment is not only sizeable but it also appears to be feasible from a political point of view. The lack of FX unification can hinder disinflation but we think that this will be the second step when seasonally abundant dollar inflows resume with the soybeans harvest from May onwards."

J.P. MORGAN: "We believe an evolution of the policy template by second quarter 2024, would be likely required, once international reserves start to be replenished by soybean exports.

"First of all, the fact that the fiscal adjustment relies in a relevant manner on a higher tax collection may induce some doubts, particularly due to the temporary nature of some taxes as well as the need for Congress approval.

"Second, the still hefty correction lower of real expenditure still needs to be assessed through the prism of social tolerance. A new FX correction may be required to finally migrate into a unified exchange rate system, without capital and financial account restrictions other than macro-prudential."

GOLDMAN SACHS: "Our first impression of the announcement is positive. Fiscal profligacy is the root of Argentina's macroeconomic problems and moving swiftly with the fiscal adjustment is utmost important.

"We acknowledge, however, that some of the announced policies remain vague and many lacked quantitative details. The exchange rate, in turn, was highly overvalued and a significantly more competitive exchange rate should allow the central bank to accumulate international reserves that currently stand at critical levels.

"Inflation, however, is likely to accelerate in the coming months as the pass-through of the weaker exchange rate is transmitted to consumer prices. For this reason, it will be critical to know what exchange rate policy the central bank will follow going forward to avoid a renewed overvaluation of the currency.

"This was clearly absent in today's policy announcement. Another major absent measure was the treatment of the central bank's remunerated liabilities. In our view, addressing the central bank's balance sheet should be another pillar of any macroeconomic adjustment plan."

INTERNATIONAL MONETARY FUND: "These bold initial actions aim to significantly improve public finances in a manner that protects the most vulnerable in society and strengthen the foreign exchange regime. Their decisive implementation will help stabilize the economy and set the basis for more sustainable and private-sector led growth.

"Following serious policy setbacks over the past few months, this new package provides a good foundation for further discussions to bring the existing Fund-supported program back on track."

(Compiled by Ankur Banerjee in Singapore, Rodrigo Campos in New York and Libby George in London; Editing by Lincoln Feast and Alexander Smith)

WHEAT

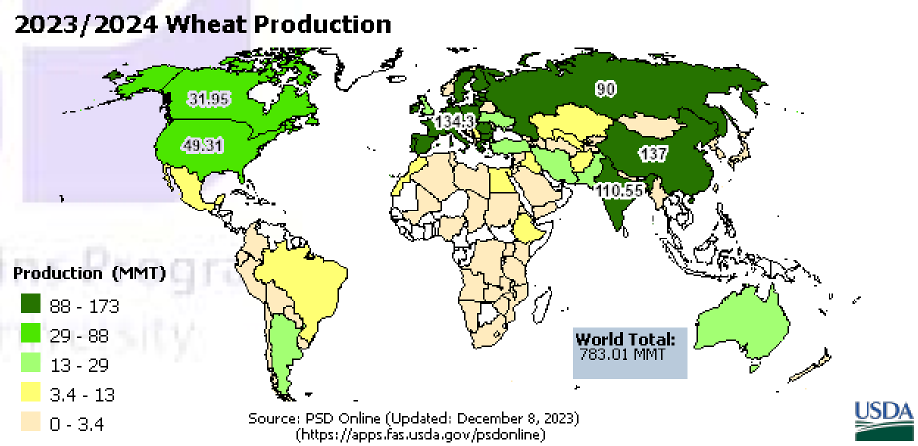
➢ **World Wheat Supply & Demand Outlook**

Wheat World as of December 2023							
Attribute	23/24 Dec'23	Change	23/24 Nov'23	22/23	21/22	20/21	19/20
Area Harvested (1000 HA)	223,084	+38(+.02%)	223,046	220,265	221,919	220,493	215,373
Beginning Stocks (1000 MT)	269,848	+301(+.11%)	269,547	272,311	284,428	297,912	284,231
Production (1000 MT)	783,008	+1028(+.13%)	781,980	789,654	780,013	773,365	759,390
MY Imports (1000 MT)	206,729	+2025(+.99%)	204,704	211,709	199,906	194,419	188,397
TY Imports (1000 MT)	206,633	+2025(+.99%)	204,608	210,984	201,625	194,522	189,475
TY Imp. from U.S. (1000 MT)	0	-	0	20,061	21,249	26,550	26,255
Total Supply (1000 MT)	1,259,585	+3354(+.27%)	1,256,231	1,273,674	1,264,347	1,265,696	1,232,018
MY Exports (1000 MT)	207,190	+2180(+1.06%)	205,010	220,479	202,761	203,453	194,558
TY Exports (1000 MT)	210,969	+2000(+.96%)	208,969	216,055	205,168	199,615	195,101
Feed and Residual (1000 MT)	158,886	+1095(+.69%)	157,791	154,808	161,124	163,408	139,466
FSI Consumption (1000 MT)	635,309	+564(+.09%)	634,745	628,539	628,151	614,407	600,082
Total Consumption (1000 MT)	794,195	+1659(+.21%)	792,536	783,347	789,275	777,815	739,548
Ending Stocks (1000 MT)	258,200	-485(-.19%)	258,685	269,848	272,311	284,428	297,912
Total Distribution (1000 MT)	1,259,585	+3354(+.27%)	1,256,231	1,273,674	1,264,347	1,265,696	1,232,018
Yield (MT/HA)	3.51	-	3.51	3.59	3.51	3.51	3.53

Source: USDA PS&D

8 December 2023 USDA WASDE – The USDA global wheat outlook for 2023/24 was for higher supplies, consumption, and trade with reduced stocks. Supplies were raised 1.3 mmts to 1,052.9 million, primarily on higher government production estimates for Australia and Canada partially offset by a reduction for Brazil.

Global consumption was raised 1.8 mmts to 794.7 million, mainly on higher feed and residual use for the EU, South Korea, and Thailand and increased food, seed, and industrial use primarily for China.



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

Higher Global Wheat Production Prospects for 2023/24

12 December 2023 USDA ERS – This month, global wheat production for 2023/24 was raised 1.0 mmts to 783.0 mmts. Larger production estimates for Australia and Canada are partially offset by lower wheat production from Brazil.

In Australia ample soil moisture reserves and timely rainfall at planting partially mitigated the effect of extended dry conditions during the late fall caused by the El Niño weather pattern. Based on harvest results exceeding some earlier expectations, wheat production is raised 1.0 mmts to 25.5 mmts, to align with the Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES). Canada wheat production is revised upward this month by 1.0 mmts to reach 32.0 mmts on revised higher area and yield based upon official government estimate (Statistics Canada).

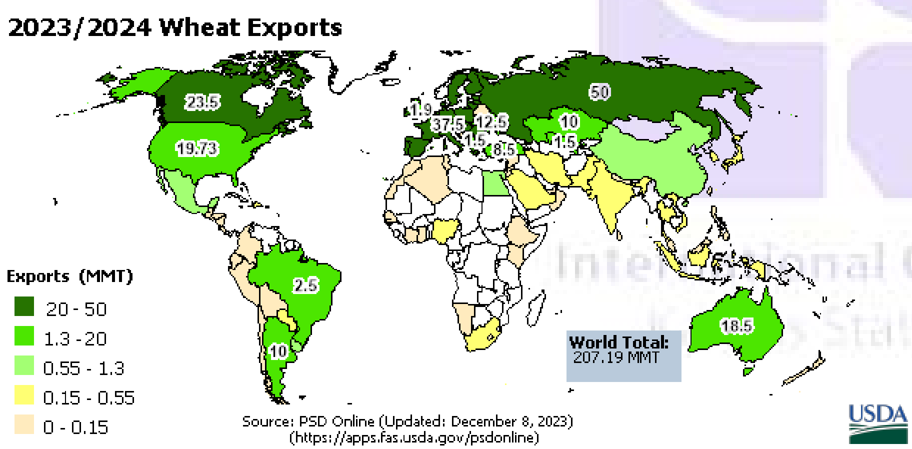
Brazil's wheat production is projected down this month by 1.0 mmts on lower yields, with an estimated output of 8.4 mmts for 2023/24. As the wheat harvest concludes during the month of December, it has been reported that excessive rainfall September through November resulting from the weather pattern El Niño affected the quality and productivity of wheat crops in the three main wheat-producing States: Rio Grande do Sul, Paraná and Santa Catarina.

Increased Global Wheat Consumption

12 December 2023 USDA ERS – Global wheat consumption (adjusted to reflect the differences in world imports and exports) is up 1.8 mmts to 794.7 mmts with larger feed and residual and food, seed, and industrial (FSI) use.

Global wheat feed and residual use is up 1.1 mmts to 158.9 mmts on upward revisions to the European Union, Thailand, South Korea, and Indonesia. Global FSI use is raised 0.6 mmts to 635.3 mmts, driven by China (+0.5 mmts) and Thailand (+0.2 mmts).

Higher Global Trade for 2023/24

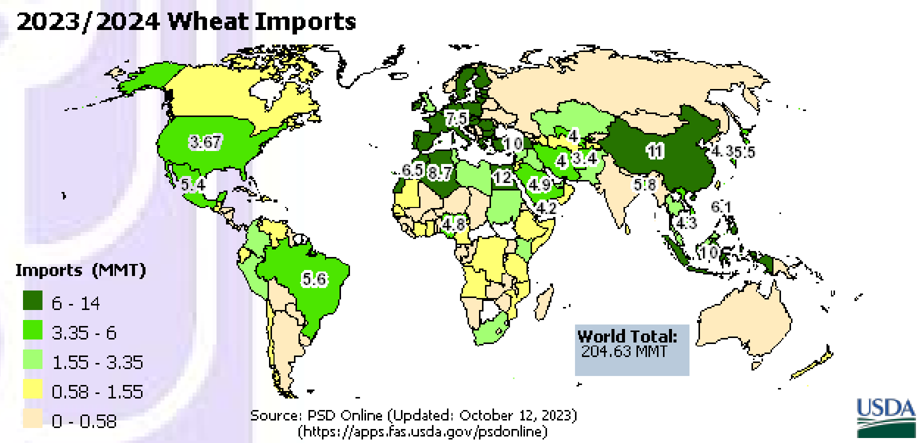


Source: USDA FAS https://ipad.fas.usda.gov/ogamaps/map.aspx?cmdty=Wheat&attribute=Exports

12 December 2023 USDA ERS – The December forecast for global wheat exports for the 2023/24 (July-June) international trade year (TY) is up 2.0 mmts to 211.0 mmts. The United States is raised1.0 mmts to 20.0 mmts (up 25 mbus for the local June-May marketing year to 725 mbus), based on the recent large sales of SRW wheat to China, although exports are still projected to be at the lowest level since 1971/72.

World trade was raised 2.2 mmts to 207.2 million on higher exports by Australia, the United States, Canada, and Ukraine.

Australia and Canada wheat exports are up by 0.5 mmts each on larger exportable supplies. Projected wheat exports from Ukraine are raised based on the pace of shipments to date as exports flow through various modes of transportation by land and sea. Exports from Brazil are projected down by 0.5 mmts to 2.5 mmts for the 2023/24 trade year because of a reduced crop.



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

Wheat imports are projected higher for several importing countries this month. The European Union is projected to import 8.5 mmts of wheat, up 1.0 mmts from last month, based on a steady pace of shipments from Ukraine. With large purchases of U.S. Soft Red Winter wheat reported during December 4–6, China is projected to import 12.5 mmts, 0.5 mmts higher than last month. Indonesia imports are raised 0.5 mmts to 10.5 mmts, with some of the increase expected for feed and residual use. South Korea's wheat imports are raised on higher feed and residual use while growth in both feed and food use has contributed to higher imports for Thailand. Egypt and Syria's wheat imports are both lowered on the pace of trade. Foreign currency shortages are also constraining imports for Egypt.

Month-to-month change in 2023/24 wheat trade, December 2023

Attribute	Country/region	2023/24 November (MMT)	2023/24 December (MMT)	Month-to-month changes (MMT)
Trade year exports	Australia	21.5	22.0	0.5
	Brazil	3.0	2.5	(0.5)
	Canada	23.0	23.5	0.5
	Ukraine	12.0	12.5	0.5
	United States	19.0	20.0	1.0
	World total	209.0	211.0	2.0
Trade year imports	China	12.0	12.5	0.5
	Egypt	11.5	11.0	(0.5)
	European Union	7.5	8.5	1.0
	Indonesia	10.0	10.5	0.5
	Korea, South	4.3	4.5	0.2
	Syria	2.3	2.0	(0.3)
	Tajikistan	1.1	1.3	0.2
	Thailand	2.3	2.7	0.4
	World total	204.6	206.6	2.0

MMT = million metric tons.
Note: Changes less than 0.2 MMT are not included; month-to-month change is the difference between December 2023 and November 2023 estimates.
Source: USDA, Economic Research Service; USDA, Foreign Agricultural Service, *Production, Supply and Distribution* database.

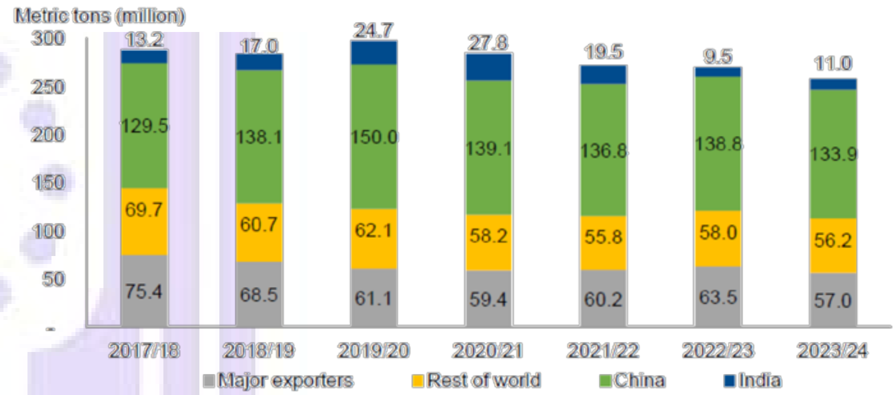
TRADE CHANGES IN 2023/24 (1,000 MT)

Country	Attribute	Previous	Current	Change	Reason
China	Imports	12,000	12,500	500	Large purchases of wheat given large proportion of feed-quality wheat in domestic crop
Egypt	Imports	11,500	11,000	-500	Ongoing currency and financing challenges limiting purchases
European Union	Imports	7,500	8,500	1,000	Steady pace of imports, particularly from Ukraine
Indonesia	Imports	10,000	10,500	500	Strong shipments in the early part of the year to replenish stocks and meet increased consumption
Korea, South	Imports	4,300	4,500	200	Higher demand for feed-quality wheat
Syria	Imports	2,300	2,000	-300	Reduced pace of shipments
Thailand	Imports	2,300	2,700	400	Stronger demand for wheat in feed formulation
Australia	Exports	21,500	22,000	500	Larger estimated crop size will enable additional shipments
Brazil	Exports	3,000	2,500	-500	Smaller estimated crop will limit available exportable supplies
Canada	Exports	23,000	23,500	500	Larger crop
Ukraine	Exports	12,000	12,500	500	More shipments via land and sea
United States	Exports	19,000	20,000	1,000	Stronger sales, especially to China

Global Wheat Ending Stocks Lower

Projected 2023/24 global ending stocks are reduced 0.5 mmts to 258.2 million, the lowest since 2015/16.

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.

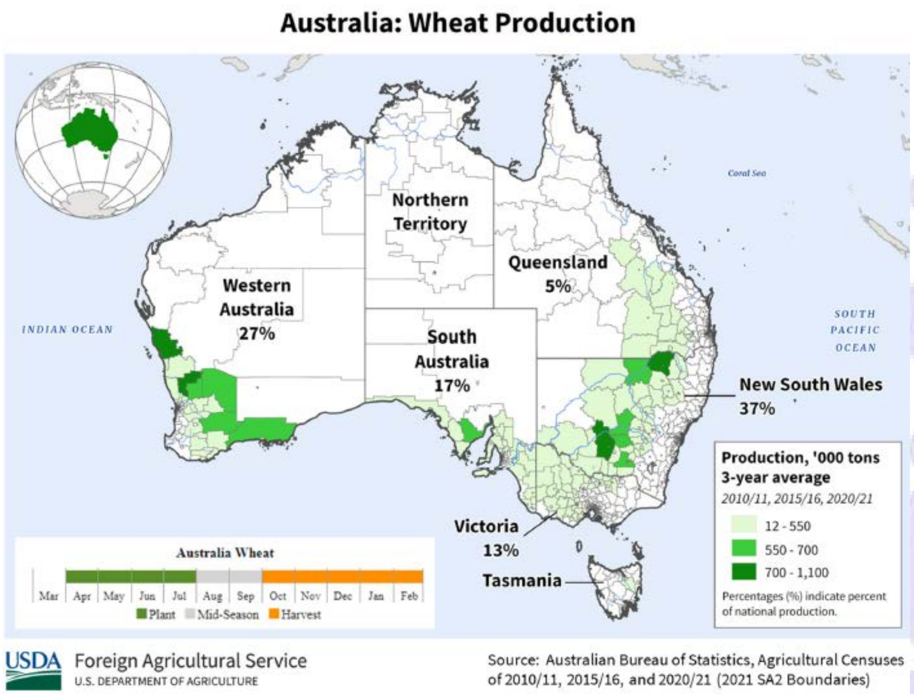
12 December 2023 USDA ERS – Several partly offsetting changes leave global wheat ending stocks for 2023/24 projected 0.5 mmts lower to 258.2 mmts this month Ending stocks for the major exporting countries are forecast up 0.6 mmts to 57.0 mmts driven by Australia (+0.9 mmts to 4.1 mmts), the European Union (+0.5 mmts to 12.8 mmts) and Canada (+0.4 mmts to 4.0 mmts). Partly offsetting these increases, stocks are lower for Ukraine (-0.5 mmts to 2.6 mmts) and the United States (-0.7 mmts to 17.9 mmts) based on larger forecast exports.

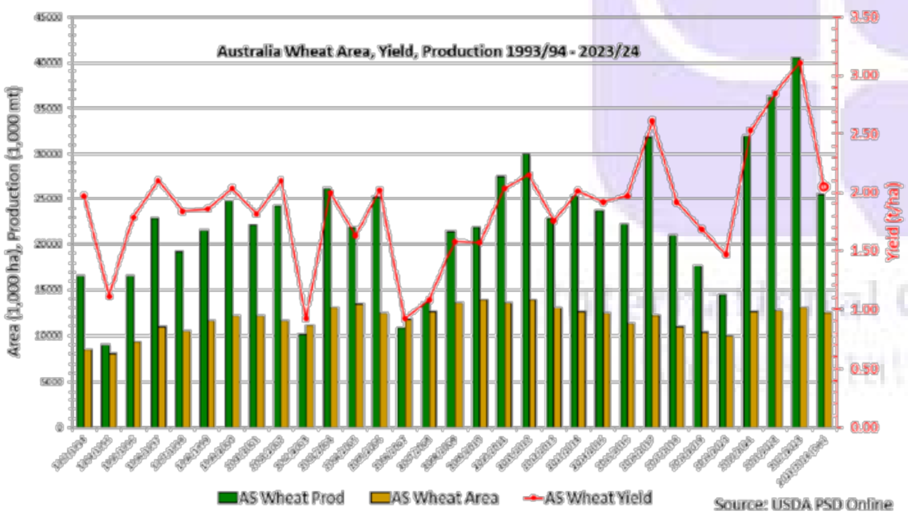
Outside of the major exporting countries, ending stocks are lowered for Egypt (-0.5 mmts to 3.5 mmts) with smaller expected imports. Brazil's ending stocks are forecast smaller based on the reduced crop size, while stocks in Afghanistan are also forecast down consequent to production revisions for 2021/22 and 2022/23.

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

- **Australia Wheat Production Forecast Higher Based on ABARES**

8 December 2023 USDA FAS – Australia wheat production for marketing year 2023/24 is estimated at 25.5 mmts (mmt), up 1.0 mmt or 4% from last month, but down 15.0 mmt or 37% from last year's record.

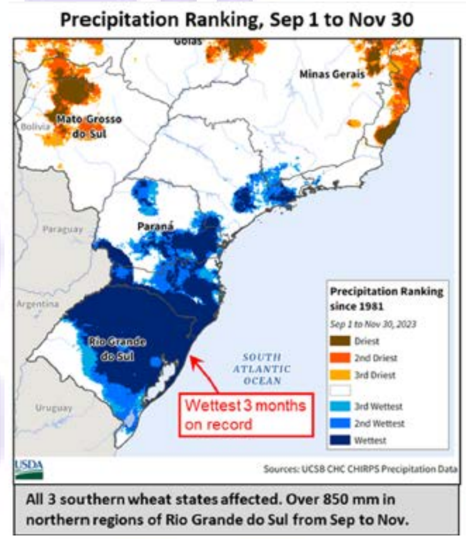


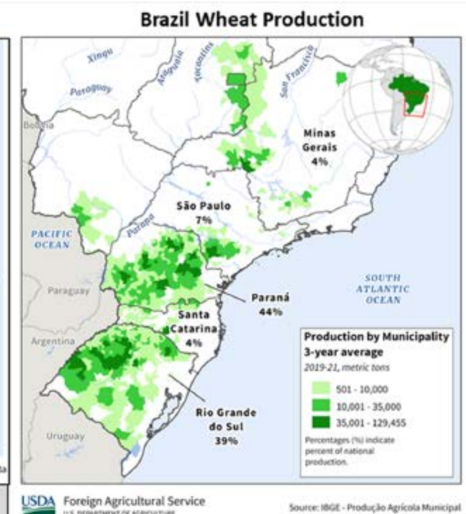


The production increase reflects late season precipitation that improved conditions in the southern tier of the wheatbelt and are expected to offset reduced production in the northern tier of New South Wales, Queensland and Western Australia. However, overall wheat yields are estimated to be below average due to persistent dry conditions in key northern wheat growing regions. Harvested area is estimated at 12.5 mha (mha), down 0.1 mha from last month, and down 0.55 mha or 4% from last year. Yield is estimated at 2.04 tons per hectare (t/ha), up 5% from last month, but down 34% from last year's record.

The revisions were made based in part on the recently released official government estimates from the Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES). In the east, harvesting starts in central Queensland during August and progresses down the east coast 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.)*

➢ **Brazil Wheat Late Season Rainfall Further Reduces 2023/24 Production**





8 December 2023 USDA FAS – USDA estimates Brazil wheat production for marketing year (MY) 2023/24 at 8.4 mmts, down 1.0 mmts (11% from last month), and down 21% from MY 2022/23.

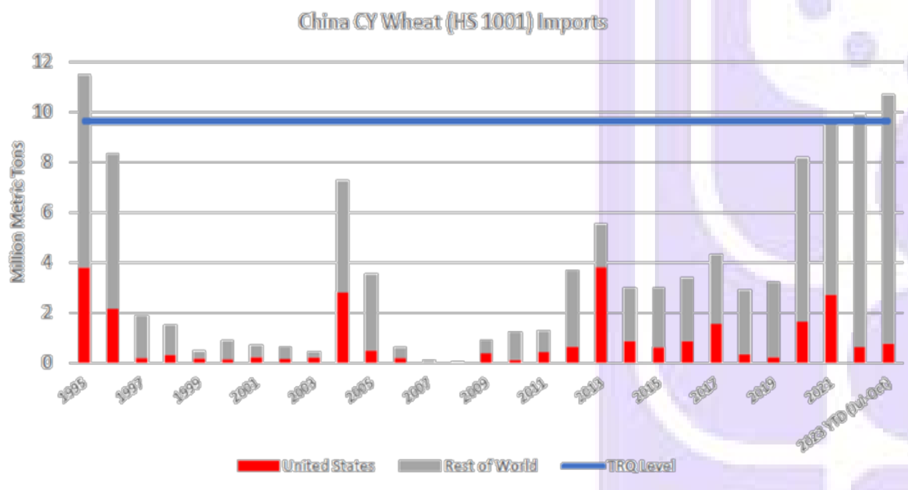
Harvested area increased to 3.47 mha (mha), higher by 2% from last month and up 12% from last year. Yield is reduced to 2.42 mts/ha, down 12% from last month and down 29% from last year's record.

Harvest is almost over and only the state of Santa Catarina has any substantial acreage to harvest, with a minor portion remaining in Rio Grande do Sul. The last 3 months were the wettest on record in southern Brazil where the majority of wheat is cultivated. The wheat crop in all 3 southern states was significantly impacted with reports of lodging, flower losses, and foliar diseases as sprayers were unable to enter soggy fields to apply treatments. The state of Rio Grande do Sul (39% of total production) saw over 800 millimeters of rainfall over the last 3 months when the crop was flowering and filling grain.

Production in this second largest wheat producer was reduced by over 35% from initial expectations. In the largest wheat producing state of Paraná (44% of total production), output was reduced by almost 20% from early forecasts by the state reporting agency SEAB/DERAL. Similarly, the state of Santa Catarina also reports losses over 27%.

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

➢ China Purchases Large Volumes of U.S. Wheat, Diversifies Imports



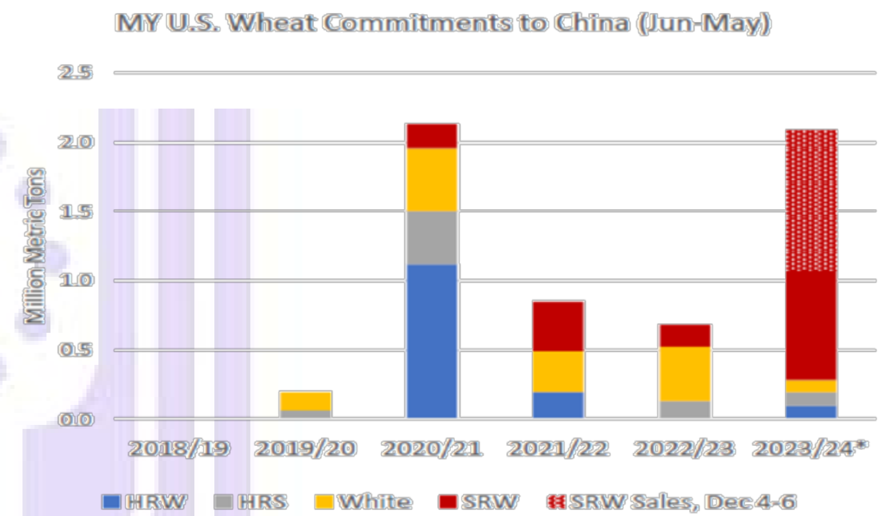
Source: Trade Data Monitor, LLC

8 December 2023 USDA FAS – China 2023/24 (July/June) wheat imports were forecast up this month by 500,000 tons to 12.5 million, driven by large recent purchases from the United States.

Though imports are still slightly below the prior year, China has solidified its position as the world's top importer for the second year in a row.

On a calendar year (CY) basis, China has already imported 10.7 mmts through October, indicating it will exceed the 9.36-million-ton tariff rate quota (TRQ) by a significant margin. Although China imported more than the wheat TRQ amount in both 2021 and 2022, this is the first calendar year it will import over 10.0 mmts since 1995.

The United States has lost significant market share in China over the past decade due to uncompetitive prices and stiff competition from Australia, Canada, and the European Union (EU). However, since June, total commitments of U.S. wheat to China have surpassed 2.0 mmts, boosted by strong recent sales of Soft Red Winter (SRW) wheat.



Source: USDA Export Sales Reporting
Note: This chart shows total U.S. wheat commitments (accumulated exports + outstanding sales) to China for MY week 27. 2023/24* includes commitments through Week 27, plus recent Export Sales Reporting Announcements of 1.01mmt of SRW sales to China, found in the FAS Newsroom.

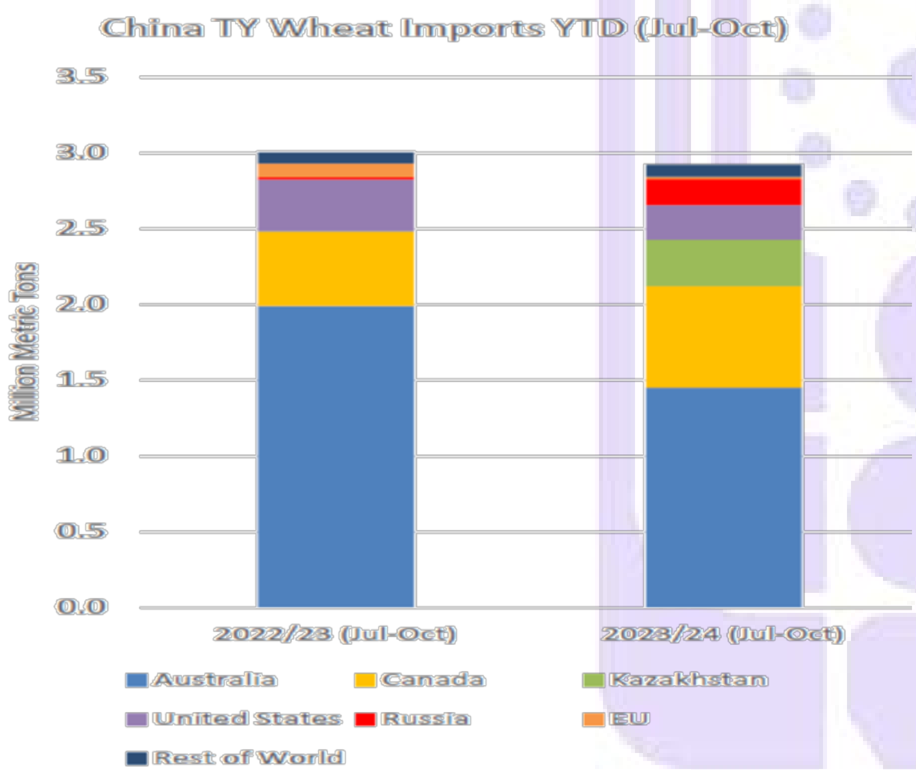
Ample supplies of SRW this year have pushed prices down, making the class competitive against Australian and French origins.

China's demand for international wheat has been bolstered by quality concerns in its domestic crop this year, mostly due to heavy rains at harvest time in top wheat-producing province Henan. Ample domestic supplies of feed-quality wheat have resulted in larger expected wheat feed and residual use in 2023/24, up 4.0 mmts from the previous year, as Chinese feed mills are augmenting feed rations with lower quality and sprouted wheat. With a greater proportion of feed-quality wheat in this year's crop, China requires additional imports of milling wheat to supplement domestic supplies for food use.

Last year, China relied on Australia's ample supplies of both milling and feed-quality wheat. Given a record 2022/23 crop and lower shipping costs to China, Australia exported a record 7.8 mmts of wheat to China in the last trade year, capturing nearly 60% market share. So far this trade year (Jul-Oct), China wheat imports from Australia are down 27% from the same period last year. Australia's smaller 2023/24 crop, which was harvested beginning in October, has severely curtailed exportable supplies for the coming year.

Limited Australian supplies are prompting China to import wheat from other origins. In addition to expanded purchases from the United States, imports from Canada are up 37%, indicating stronger demand for milling wheat.

China has also resumed imports from Kazakhstan in large volumes. Kazakhstan typically exports small volumes of wheat to China, partially due to challenges meeting importer specifications. This year, however, Kazakhstan has already shipped 300,000 tons of wheat to China, compared to near-zero exports over the same period last year. The growth of the Alashankou rail border station and China's transportation subsidy when shipping commodities to inland areas have helped expand shipments through the Chinese-Kazakh border.



China wheat imports from Russia, meanwhile, are nearly at a record only 4 months into 2023/24. China lifted restrictions on Russia wheat imports last year and trade has expanded rapidly since then. Future expansion in trade seems plausible since Russian exporter EPT signed an agreement in October to export 70.0 mmts of grains, oilseeds, and legumes to China over 12 years. Russia offers price competitive milling wheat compared to U.S. or Canadian origins.

➢ <u>Wheat Export Prices (FOB, US$/mt)</u> as of the 13th of December 2023

		TW	LW	LY	%Y/Y
Argentina Grade B, Up River	Dec	247	246	401	-38
Australia APW, Port Adelaide (SA) a)	Dec	304	297	370	-18
Australia ASW, Port Adelaide (SA) a)	Dec	290	284	338	-14
Canada 1 CWRS (13.5%), St. Lawrence	Jan	317	322	377	-16
EU (France) Grade 1, Rouen	Dec	250	247	334	-25
EU (Germany) B quality, Hamburg	Dec	258	256	342	-25
EU (Rom) Milling (12.5%) Constanta	Jan	247	252	327	-24
Russia Milling (12.5%)	Jan	242	240	316	-23
Ukraine (<11%)	-	-	-	270	-
US DNS (14%), PNW	Jan	323	325	405	-20
US HRW (11.5%), Gulf	Jan	296	297	387	-23
US SRW, Gulf	Jan	268	272	336	-20
US SW, PNW	Jan	273	272	332	-18

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

13 December 2023 IGC – Global wheat export prices were buoyed by signs of firming international demand and concerns about winter crop prospects in some northern hemisphere producers.

Although a fresh reported sale of 110,000 t SRW wheat to China offered some support, US futures edged lower w/w on profit taking after earlier solid gains and bearish technical features.

Last Friday's USDA WASDE report had little discernible market impact, as US 2023/24 all-wheat production estimate was maintained at 49.3 mmts (44.9 mmts previous year), with consumption also little changed, at 31.4 mmts (30.7 mmts).

Largely reflecting recent sales to China, which more than offset a cut to predicted SW wheat dispatches, projected exports were raised by 0.7 mmts, to 19.7 mmts (20.6 mmts), with ending stocks lowered to 17.9 mmts (15.8 mmts). At 356,412 mts, net all-wheat export sales in the w/e 30 November halved w/w, but were slightly above the prior four-week average, while MY 23/24 (Jun/May) cumulative commitments reached 13.0m, a 4% y/y decline.

However, there was a larger annual lag in export inspections, with the MY total as at 7th December of 8.6 mmts around one-fifth lower than one year ago.

Citing generally favourable weather conditions, a leading private forecaster maintained its outlook for US 2024/25 winter wheat production at 34.7 mmts (34.0 mmts USDA previous year), also pointing to low winterkill risks at least through early January.

Exports from Canada continued to accelerate, with durum and other wheat shipments in the w/e 3rd of December officially reported at the highest weekly level since the start of the marketing year (Aug/Jul), estimated at 117,800 mts and 641,600 mts, with MY cumulative volumes at 1.0 mmts (-36%) and 7.5 mmts (+12%), respectively.

Argentina's 2023/24 harvest was officially estimated to be 47% finished as of the 7th of December, 7 percentage points behind last year. However, physical trading was muted, as the government temporarily suspended the registration of grains exports.

In a monthly update, Brazil's Conab lowered 2023/24 production estimate by 1.5 mmts, to 8.1 mmts (10.6 mmts). While consumption was maintained at 12.6 mmts (12.4 mmts), imports were increased by 0.6 mmts, to 6.0 mmts (4.5 mmts), with exports lowered by 0.6 mmts, to 2.0 mmts (2.7 mmts), and ending stocks trimmed by 0.3 mmts, to 0.2 mmts (0.7 mmts).

EU export prices (France, Germany) edged higher w/w, as traders observed an upturn in international tender activity, However, with competitive Black Sea prices, Egypt's latest tender purchase of 420,000 mts (at US$286 C&F with freight at US$21/mt, for January shipment) was reportedly filled with Russian supplies, while suppliers from that region were also expected to secure a significant share of yesterday's milling wheat purchase by Algeria, which was estimated at 930,000 mts (at US$273 C&F, February/March). Now fully incorporating shipments by Bulgaria,

EU 2023/24 (Jul/Jun) exports through the 10th of December were officially reported at 14.1 mmts (-14% y/y). While there were no fresh reported sales to China, the start of loading of earlier sold supplies to that country was expected to alleviate pressure on storage capacity at French ports.

Additional support to French prices came from ongoing worries about local production prospects, with 2024/25 common wheat and durum plantings pegged at 89% (83% week ago, 99% year ago, 96% five-year average) and 54% complete (43%, 92%, 79%), respectively, according to FranceAgriMer. The agency also showed deteriorating common wheat crop conditions, rated 77% good/excellent (80% previous week, 97% previous year). In part reflecting rain-induced fieldwork delays, the country's Farm Ministry estimated 2024/25 winter wheat sown area at 4.5 mha, some 5% below both the prior year and the five-year average. At 205,000 ha, the estimate for durum was 11% lower y/y and 16% below the recent average.

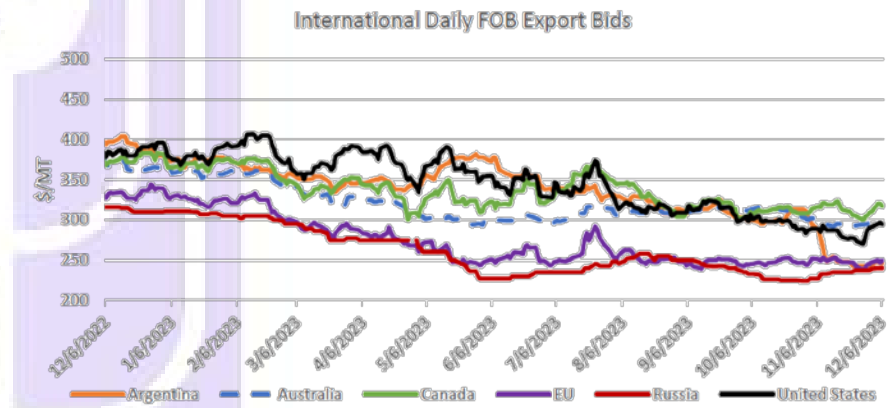
With wintry weather conditions said to be adding to logistical costs, nominal export prices in Russia were assessed slightly higher w/w, but remained at a discount to most competing origins. Nonetheless, analyst SovEcon envisaged a m/m rebound in shipments during December, to 4.2 mmts (3.4 mmts the prior month), 0.2 mmts higher than the same month one year ago. As at of the 7th of December, Russia's 2023/24 (Jul/Jun) cumulative shipments were privately estimated at 23.0 mmts, one-quarter higher y/y. In policy-related developments, Russia's government confirmed a temporary export ban on durum until 31st of May 2024 (except for shipments to the Eurasian Economic Union), effective from the 11th of December.

In the Ukraine, a local official informed about the completion of the EU-funded project to enable 24-hour navigation on the Danube River's Sulina Canal, which was expected to help boost monthly capacity for trans-shipments of Ukrainian supplies through Romania's Constanta port to 4.0 mmts. Still, local sources pointed to a continued shift in cargo flows from river to seaborne routes. Despite new reported attacks on ports of Izmail and Reni, total wheat shipments in the w/e the 8th of December nearly doubled w/w, to around 0.4 mmts, taking 2023/24 (Jul/Jun) accumulated deliveries to 6.1 mmts (-15% y/y).

Aside from tenders by Algeria and Egypt, recent reported business included a purchase by Tunisia, comprising 100,000 mts of milling wheat (at US$279-US$283 C&F) and 75,000 mts of durum (at US$437-US$438 C&F), both for delivery from optional origins in January/February.

Additionally, Lebanon was understood to have sourced 30,000 mts milling wheat (11.5% protein), likely from Ukraine, at around US$253 C&F for nearby dispatch.

Global Wheat Prices



Argentina	Australia	Canada	EU	Russia	United States
$246	$302	$317	$250	$240	$294

Note: As of December 6, 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

8 December 2023 USDA FAS – Global: Major exporter quotes have been mixed since the November WASDE.

The most competitively priced wheat is from Russia, despite an increase of $13/ton as unfavorable weather hampered exports. EU quotes eased by only $1/ton.

The most dramatic shift was a steep decline in Argentine quotes which were down by $41/ton as the harvest has commenced with a larger crop than the prior year.

Australia is the other Southern Hemisphere exporter with an ongoing harvest, but significantly smaller production there is one reason that export quotes are nearly unchanged since last month.

Canadian quotes were also unchanged from last month. U.S. quotes had eased throughout the past month, but strong recent sales to China have buoyed quotes $5/ton higher.

- **USDA – U.S. Wheat Supply & Demand Outlook**

Wheat United States as of December 2023							
Attribute	23/24 Dec'23	Change	23/24 Nov'23	22/23	21/22	20/21	19/20
Area Harvested (1000 HA)	15,084	-	15,084	14,358	15,032	14,888	15,133
Beginning Stocks (1000 MT)	15,828	-	15,828	19,008	23,001	27,985	29,386
Production (1000 MT)	49,314	-	49,314	44,898	44,804	49,751	52,581
MY Imports (1000 MT)	3,946	-	3,946	3,317	2,617	2,726	2,828
TY Imports (1000 MT)	3,900	-	3,900	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)	69,088	-	69,088	67,223	70,422	80,462	84,795
MY Exports (1000 MT)	19,731	+680(+3.57%)	19,051	20,647	21,656	27,048	26,373
TY Exports (1000 MT)	20,000	+1000(+5.26%)	19,000	20,262	21,347	26,636	26,392
Feed and Residual (1000 MT)	3,266	-	3,266	2,417	1,749	2,536	2,592
FSI Consumption (1000 MT)	28,168	-	28,168	28,331	28,009	27,877	27,845
Total Consumption (1000 MT)	31,434	-	31,434	30,748	29,758	30,413	30,437
Ending Stocks (1000 MT)	17,923	-680(-3.66%)	18,603	15,828	19,008	23,001	27,985
Total Distribution (1000 MT)	69,088	-	69,088	67,223	70,422	80,462	84,795
Yield (MT/HA)	3.27	-	3.27	3.13	2.98	3.34	3.47

Source: USDA PS&D

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.

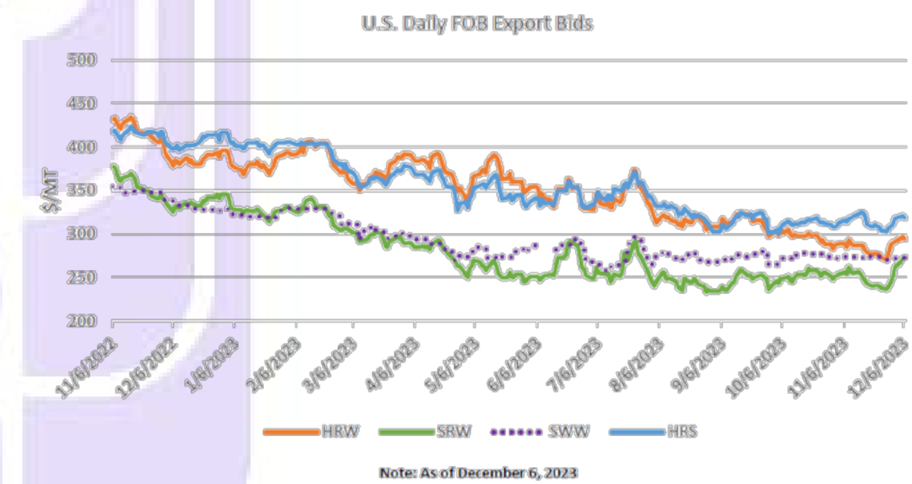
8 December 2023 USDA WASDE – The USDA U.S. wheat outlook for 2023/24 was for unchanged supplies and domestic use, higher exports, and reduced ending stocks.

Exports were raised 25 mbus to 725 million on several large recent export sales of Soft Red Winter (SRW) wheat to China. SRW exports were raised 30 mbus to 175 million, the largest SRW exports since 2013/14. White wheat exports were lowered 5 mbus to 155 million on a slow pace of sales and shipments.

Projected all wheat ending stocks are reduced by 25 mbus to 659 million, still up 13% from last year.

The USDA estimate for the season-average farm price was raised $0.10/bu to $7.30 on lower projected stocks, NASS prices reported to date, and price expectations for the remainder of the marketing year.

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)

8 December 2023 USDA FAS – Domestic: U.S. quotes have risen since the November WASDE. Soft Red Winter (SRW) increased the most, up $17 to $273/ton, with strong demand from China as reflected in recent USDA Export Sales reports with several daily announcements of large sales. SRW sales to China have more than quadrupled from the same period last year amid improved competitiveness.

HRW prices rose $5 to $294/ton reflecting sales to China and strengthening cash prices.

Hard Red Spring (HRS) was up $2 to $318/ton amid robust shipments to various Asian markets.

Soft White Wheat (SWW) was virtually unchanged, down only $1 to $273/ton.

- **U.S. Export Sales Pace Improving**

12 December 2023 USDA ERS – U.S. export sales, as reported in the USDA, Foreign Agricultural Service (FAS) U.S. Export Sales report, remain behind last year but have picked up in recent weeks. Total U.S. commitments (the sum of accumulated exports and outstanding sales) are at 13.0 mmts, down 4% from the same point last year. The revised marketing year forecast of 725 mbus is 4% below the 759 mbus exported in the previous year. Total commitments at this point in the marketing year account for 66% of the full MY export estimate, similar to 66% a year ago, and the recent 5-year average (2018/19–2022/23).

The aforementioned export sales pace through November 30 does not include more than 1 mmts of recent USDA daily export sales announcements to China. On December 4th, private exporters reported 440,000 mts were sold to China. The next day, an additional 198,000 mts were reported as sold to China. Finally, on December 6, another 372,000 mts in sales were reported. While these large recent sales are all SRW, China has purchased other classes of wheat throughout the marketing year. These daily SRW sales are expected to be reflected in the USDA, FAS U.S. Export Sales report for the week ending December 7, which will be published on December 14th.

- **China's SRW Wheat Purchases: The Right Wheat At The Right Time**

11 December 2023 USWA – The purchase by China of 1.12 mmts of U.S. soft red winter (SRW) wheat for delivery in 2023/24 between Dec. 4 and 8 is a significant and, in terms of its volume, somewhat unexpected factor in the current market. The buyers clearly took advantage of a price opportunity, yet there are other influencing factors behind this buying surge to consider.

Already in the Market

China is in a wheat-buying phase driven in part by reported damage to its 2023 crop from rain at harvest. USDA expects China to exceed its WTO-agreed 9.6 mmts tariff rate quota again in 2023/24. By late November, China had already purchased a total of 1.01 mmts of four U.S. wheat classes, including 789,000 mts of SRW in 2023/24.

The U.S. Wheat Associates (USW) Price Report on November 22nd estimated SRW FOB export price out of the Gulf at $250/mt, and on November 30th at $258/mt, a very competitive price relative to other wheat origins.

After the recent deals through December 8th a total 2023/24 SRW commercial sales to China to date now exceed 1.9 mmts. As a result, USDA raised its December 8th estimate of total SRW sales in 2023/24 by about 817,000 mts to 4.76 mmts. If realized, that would be the largest volume of SRW exports since 2013/14.

A Trusted Source

Why so much SRW? USW Regional Vice President Jeff Coey suggests that China's buyers and flour millers are very familiar with this soft wheat class grown in the eastern third of the United States.

"It is a story that goes back decades," said Coey. "First, our SRW is closest to the wheat grown in China. And the investment U.S. wheat growers have made in USW's trade and technical service over many years has given Chinese buyers the confidence to import SRW, and other classes, when the opportunity arises."

Coey said maintaining that education process was the goal behind USW's investment of Agricultural Trade Promotion (ATP) program funds to bring a team of Chinese buyers to the United States in early November 2023. The visit included in-depth time with Federal Grain Inspection Service inspectors at an export elevator in Houston, Tex., as well as time with a SRW farmer and officials at USDA's Agricultural Research Service (ARS) Soft Wheat Quality Lab (photo above) in Ohio.

"Those visits in particular were instructive," said Coey. "Understanding the third-party inspection and certification process and the testing demonstrated at the ARS lab gave the buyers a sense of the design behind the quality data we share with them."

Three people examine cookies at the USDA-ARS Wheat Quality Lab in Wooster, Ohio, in Nov. 2023.

On the Ground Input

Ohio farmer and USW director Ray Van Horn was in the middle of his corn harvest when the Chinese buyers visited his farm.

"Ray and representatives of our member state wheat commission Ohio Corn and Wheat hosted the team on a crisp, clear afternoon in one of Ray's fields with a beautiful, new stand of soft red winter wheat. It was a perfect place to share information about the wheat production decisions he makes and how that may affect buyers," Coey said.

Ohio farmer Ray Van Horn talks with Chinese wheat buyers in his field planted with soft red winter wheat.

Adding value to this buying opportunity is the fact that U.S. farmers produced two large SRW crops with excellent quality in 2022 and 2023.

"Together all these factors helped build the confidence that these buyers can select U.S. soft red winter this year and have a deep supply of consistent quality with a ready domestic market," Coey concluded.

➢ CME CBOT Wheat Futures – Daily Nearby

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

Wheat saw a volatile week with a net 30 ¾ cent range for Chicago futures and a net 35 ¼ cent range for KC. Friday ended with wheat in the black to limit the week's loss.

***CME SRW futures December 2023 CBOT** wheat closed on Friday at $6.29¼/bu, up 13½ cents on the day, but loosing 2½ cents on the week. May 24 CBOT Wheat closed at $6.39 1/2, up 13 3/4 cents,*

The March SRW/HRW spread tightened to 13 ½ cents.

Funds continue to buy back HRW and SRW shorts with funds short all three classes a combined 127k contracts. The weekly CoT report had managed funds with a net 69,529 contract net short as of the 12th of December. That was a major swing as 36k shorts (26%) evaporated during the week.

➢ U.S. Export SRW Wheat Values – Friday the 15th December 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	12/14/2023	12/15/2023		
DEC	100 / 105	100 / 105	Z	UNC
JAN	93 / 100	95 / 100	H	
FEB	93 / 98	93 / 98	H	UNC

➢ US SRW wheat exports set to top HRW for first time after China haul

14 December 2023 K Braun, Reuters – China earlier this month loaded up on U.S. soft red winter (SRW) wheat after its own crop's quality was compromised by heavy rains, helping drive U.S. SRW exports to a 10-year high this marketing year.

On the other hand, U.S. hard red winter (HRW) wheat exports in 2023-24 are set for all-time lows among 40 years of records, despite HRW wheat being more plentiful than SRW and typically more dominant on the U.S. export front.

The U.S. Department of Agriculture on Thursday showed net 2023-24 wheat export sales were 1.49 mmts in the week ended Dec. 7. That is the largest weekly sales volume for a current marketing year since September 2007.

Some 1.12 million of those tons were SRW sales to China, which had been expected based on sales announcements during that week. China now accounts for 46% of all U.S. SRW sales, which account for 29% of all wheat sales.

According to export market development organization U.S. Wheat Associates, U.S. SRW wheat is closest to the wheat grown in China. Lower-protein SRW wheat is typically used to make cookies and crackers while higher-protein HRW is good for bread.

In the latest five years, HRW accounted for an average of 36% of annual U.S. wheat exports while only 12% was SRW. But government forecasts peg SRW at 24% and HRW at 20% in 2023-24, the first role reversal in the 40-year data history.

Hard red spring (HRS) wheat usually accounts for about 28% of annual exports, and for the first time in eight years is set to be the most exported U.S. wheat class in 2023-24.

The last time China bought large U.S. wheat volumes was in 2020-21, favoring HRW and soft white winter wheat (SWW), often used to make Asian-style noodles. Throughout 2020, the premium of Kansas City wheat futures versus Chicago was among the narrowest ever.

But K.C. wheat, representative of HRW, in 2023 traded to a record margin over SRW-associated Chicago wheat futures. However, on a most-active basis, the K.C.-Chicago premium on Thursday dropped to the lowest levels since March 2022.

STOCKS AND EXPORTS

Despite being smaller by magnitude, U.S. SRW wheat ending stocks are expected to be relatively more plentiful than HRW in 2023-24, which ends on May 31st. USDA's SRW ending stock peg of 118 million bushels is a five-year high and up 31% on the year.

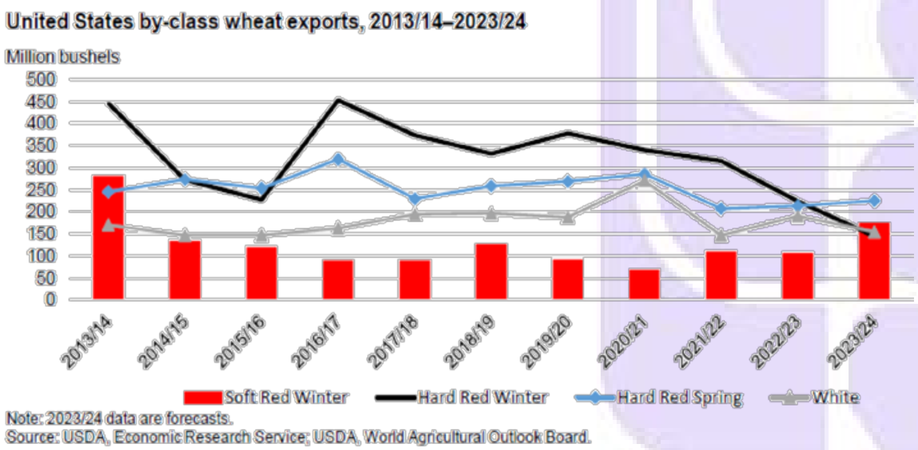
HRW ending stocks for 2023-24 are projected at 280 million bushels, up 20% from a 15-year low last year but 32% below the five-year average. SRW stocks are estimated up 10% from the five-year average.

USDA sees total 2023-24 U.S. wheat ending stocks up 13% from the prior season's 15-year low but still considerably lighter than in most other recent years. However, 2023-24 U.S. wheat exports remain pegged at 52-year lows as Black Sea supplies continue to dominate the global market.

U.S. exporters are on their way to that target thanks to China's recent activity. Export sales through December 7th covered 74% of USDA's 2023-24 forecast, above the date's five-year average of about 66%.

Karen Braun is a market analyst for Reuters. Views expressed above are her own.

➢ Soft Red Winter Exports Forecast Now at 10-Year High



8 December 2023 USDA ERS – U.S. 2023/24 Soft Red Winter (SRW) exports are projected up 30 mbus this month to 175 million, the largest exports of this class in 10 years.

This would be the first time on record that SRW exports exceeded HRW, which is now forecast to be the fourth largest class of exports at 145 mbus (unchanged this month).

SRW exports are buoyed this year by abundant supplies and large recent sales to China (about 1.0 mmts announced from December 4th – 6th). China's strong wheat demand comes after its crop quality was affected by rains in June and July during harvest, resulting in a larger amount of sprouted wheat likely being used as feed.

SRW exports are now forecast higher than White wheat exports, which are lowered 5 mbus to 155 million on a slow pace of export sales.

➢ CME KC HRW Wheat Futures – Daily Nearby

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

***Kansas March 2024 HRW Wheat Futures** settled on Friday at $6.42¾/bu, up 6¼ cents on the day, but loosing 18 ¼ cents on the week.*

HRW spreads continue to pay less than interest cost, encouraging cash to get sold vs KH. KN/KU leaking back out past 10, after recent W KS rains bring hope for better yield potential.

The weekly CoT report had managed funds had closed 6k shorts weakening their net short to 30,704 contracts.

HRW cash markets remain quiet. KC scales were steady.

HRW spreads continue to pay less than interest cost, encouraging cash to get sold vs KH. KN/KU leaking back out past 10, after recent W KS rains bring hope for better yield potential.

Minneapolis spot markets was quiet with only 4 singles for sale.

➢ U.S. Export HRW Wheat Values – Friday the 15th December 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	**12/14/2023**	**12/15/2023**		
DEC	133 / -	133 / -	H	**UNC**
JAN	133 / -	133 / -	H	**UNC**

HRW basis overall continues to have a soft tone.

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

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

***MGE March 2024 HRS Wheat Futures** settled on Friday at $7.30¾/bu, up 13 ½.*

Friday's spring wheat trade closed with 11 ¼ to 13 ½ cent gains of as much as 1.9%. March HRS futures finished a net 1 ¼ cents higher for the week.

The funds were closing positions on both sides in MGE wheat, with 5.3k fewer contracts in play and a net 123 contract weaker net short during the week ending the 12th of December.

Minneapolis spot market was quiet with only 4 singles for sale.

Japan purchased 102.5 kmts of wheat from the U.S. and Canada in a regular tender, of which 68 kmts were U.S. specific.

Portland Price Trends				**12 December 2023**	
	12-01-22	01-01-23	11-01-23	12-05-23	12-12-23
#1 SWW (bu)	8.80	8.55	6.85	6.80	6.85
White Club	9.30	9.05	7.35	7.30	7.35
DNS 14%	10.10	10.19	7.94	8.19	8.10
HRW 11.5%	10.18	10.08	6.90	7.18	7.15
#2 Corn (ton)	296.00	302.00	238.00	229.00	236.00
#2 Barley	250.00	250.00	180.00	180.00	180.00

West coast white wheat markets saw bids holding mostly steady in early-week trade, with nearby basis adjusting to the roller coaster performance in Chicago futures on Monday and Tuesday.

Cash bids remained flat into March, while hard red winter and red spring wheat bids posted a modest carry into January.

With the exception of white wheat, USDA showed yet another week of subdues wheat movement off U.S. ports. Total shipments came in at 10.3 mbus, putting the year-to-date total at 316 mbus and 32% behind last year at this time. White wheat was the top shipper, registering a total of 3.8 mbus going mostly to Japan and the Philippines. Hard red spring recorded 3.5 mbus of shipments. West coast exporter activity also included loading-out 10 mbus of soybeans and 5 mbus of corn for China.

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		2794.86	3589.79	513.49	2796.87	792.92
	2022/23 (Est.)		2750.08	3543.00	495.80	2768.92	774.08
	2023/24 (Proj.)	Nov	2799.08	3572.40	495.98	2805.18	767.23
		Dec	2803.06	3577.14	499.61	2809.63	767.51
Wheat	2021/22		780.01	1064.44	202.76	792.13	272.31
	2022/23 (Est.)		789.66	1061.97	220.48	792.12	269.85
	2023/24 (Proj.)	Nov	781.98	1051.53	205.01	792.84	258.69
		Dec	783.01	1052.86	207.19	794.66	258.20
Coarse Grains 5/	2021/22		1501.77	1824.78	253.83	1486.93	337.86
	2022/23 (Est.)		1447.44	1785.30	221.27	1455.81	329.49
	2023/24 (Proj.)	Nov	1499.31	1828.30	238.30	1487.17	341.12
		Dec	1501.99	1831.48	240.45	1489.93	341.55
Rice, milled	2021/22		513.08	700.56	56.90	517.81	182.75
	2022/23 (Est.)		512.98	695.73	54.05	520.99	174.74
	2023/24 (Proj.)	Nov	517.80	692.58	52.68	525.16	167.42
		Dec	518.07	692.81	51.97	525.05	167.76

8 December 2023 USDA WASDE – The USDA global coarse grain production for 2023/24 was forecast 2.7 mmts higher to 1,502.0 million. The 2023/24 non-U.S. coarse grain outlook is for larger production, increased trade, and higher ending stocks relative to last month.

CORN - Non-U.S. corn production was raised with increases for Russia, Ukraine, the EU, and Egypt partially offset by reductions for Mexico and Canada. Corn production for Ukraine and Russia was raised based on reported harvest results to date. EU corn production was higher as an increase for France was partially offset by a reduction for Bulgaria. Mexico corn production was cut mostly reflecting lower area.

Corn exports were raised for Ukraine, the United States, and Turkey. Corn imports were higher for Mexico and Iraq. For 2022/23, corn imports were raised for Mexico but lowered for the EU and Saudi Arabia.

Global corn ending stocks, at 315.2 mmts, was up fractionally. Non-U.S. corn ending stocks for 2023/24 were slightly higher based on increases for Ukraine and Russia.

BARLEY - Non-U.S. barley production was raised with increases for Canada and Australia.

Barley exports were raised for Canada while imports were raised for China. Barley exports were also raised for Australia.

12 December 2023 USDA ERS – Coarse grain exports for the October-September trade year are raised 2.3 mmts. The increased global exports are predominantly due to larger corn export forecasts for the United States and Ukraine, and Australian and Canadian barley—all of which (except for the United States) saw revisions to production estimates for 2023/24 this month. Corn imports are raised for Mexico, barley imports are boosted for China.

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

Country	Commodity	Attribute	Previous	Current	Change	Reason
Australia	Barley	Exports	5,200	**5,500**	**300**	Strong China trade
Canada	Barley	Exports	2,300	**2,600**	**300**	Larger crop
China	Barley	Imports	7,500	**8,100**	**600**	Larger global exportable supplies
Iraq	Corn	Imports	800	**1,000**	**200**	Larger Turkey exports
Mexico	Corn	Imports	18,800	**19,600**	**800**	Smaller crop
Turkey	Corn	Exports	1,000	**1,200**	**200**	Observed volume of October exports
Ukraine	Corn	Exports	20,000	**21,000**	**1,000**	Larger crop, observed volume of Nov exports
United States	Corn	Exports	53,500	**54,000**	**500**	Strong outstanding sales of corn to Mexico

Global Coarse Grains Production Is Raised for the 2023/24 Marketing Year

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

Region or country	Production	Change from previous month[1]	YoY change[2]	Comments
	Million tons			c
Coarse grain production (total)				
World	1,502.0	+2.7	+54.5	
Foreign	1,101.7	+2.7	+12.4	Partly offsetting changes are made for a number of countries and commodities. See table A2.
United States	400.3	No change	+42.2	See section on U.S. domestic output.
World production of coarse grains by type of grain				
CORN				
World	1,222.1	+1.3	+64.8	
Foreign	835.1	+1.3	+26.2	Increases for Ukraine, Russia, and the European Union are partly offset by a reduction for Mexico and Canada. See table A2.
United States	387.0	No change	+39.6	See section on U.S. domestic output.
BARLEY				
World	143.6	+1.3	-7.9	
Foreign	139.6	+1.3	-8.1	Higher projected Canadian, Australian, and EU[3] barley output. See table A2.
United States	4.0	No change	+0.2	See section on U.S. domestic output.
OATS				
World	20.5	+0.1	-4.6	
Foreign	19.7	+0.1	-4.6	Higher projection for Canada is partly offset by a fractional reduction for South Africa. See table A2.
United States	0.8	No change	Fractional	See section on U.S. domestic output.

[1]Change from previous month. [2]YoY: year-over-year changes. Fractional changes are made for Canadian rye and mixed grain.
For changes and notes by country, see table A2.
Source: USDA, Foreign Agricultural Service, *Production, Supply and Distribution* database.

World Coarse Grain Production Is Projected Higher, Driven by Corn and Barley

12 December 2023 USDA ERS – World coarse grain production for 2023/24 is projected 2.7 mmts higher from the November *World Agricultural Supply and Demand Estimates* (*WASDE*) report. There are no changes made to U.S. production, rather all the changes result from modifying the outlook for foreign output: Higher corn production projections for ***Ukraine***, ***Russia***, and the ***European Union***—along with increased barley production estimates for ***Canada*** and ***Australia***—are partly offset by lower projected corn crop output in Mexico and Canada.

A number of production changes are made this month for the 2023/24 crop year, across countries and commodities. Changes in global, foreign, and U.S coarse grain production (by grain type) are shown in table A1, while by country and by crop changes are presented in table A2.

Unlike the production of corn, which has been steadily increasing over numerous years because of growth in both area and yields, global barley and oats have not had these dynamics. Although world output for barley and oats is projected higher this month, production of both is much lower than a year ago. This decrease continues a multi-year trend of declining area and slowly growing yields, as market conditions push farmers slightly away from those crops in favor of corn and oilseeds.

Coarse Grain Use and Stocks Projected Higher

12 December 2023 USDA ERS – Global coarse grain consumption in 2023/24 is projected 2.8 mmts higher this month at 1,489.9 mmts. All the increase comes from foreign consumption.

Revisions for domestic use for many countries follow this month's production changes. The largest increase is projected for corn feed use in ***Russia***, where production is expected to be 1 mmts higher. Additional corn is being produced in the Central Region of this country that has a sizeable and expanding livestock sector. This region is some distance away from the Black Sea export routes and the additional corn output will most likely be used for feed rather than export.

World barley feed use is also up this month, mainly on account of higher supplies in ***Canada*** (greater production) and ***China*** (increased imports). Several smaller changes in coarse grain use are also made this month for a number of countries. For more information on this month's changes in corn feed and residual use.

Changes in world 2023/24 coarse grain ending stocks are mostly offsetting, with total stocks projected a mere 0.4 mmts higher (0.1%) than a month ago, as larger corn stocks in ***Ukraine*** and ***Russia*** are partly offset by a reduction for the ***United States***. Corn ending stocks are projected 0.2 mmts higher (increases for Russia and Ukraine, with a partly offsetting U.S. drop). Barley stocks are unchanged, with offsetting changes for Ukraine and Canada. Other coarse grain stocks are also virtually unchanged.

Table A2 - Coarse grain foreign production by country at a glance for 2023/24, December 2023

Type of crop	Crop year	Production	Change in forecast[1]	YoY[2] change	Comments
		Million tons			
Coarse grain production by country and by type of grain (2023/24)					
UKRAINE					
Corn	*Oct-Sep*	30.5	+1.0	+3.5	The final weeks of corn harvest reporting give an improved outlook for corn yields, now projected at the third highest level on record.
RUSSIA					
Corn	*Oct-Sep*	17.0	+1.0	+1.2	Harvest reports indicate higher yields than projected before, with a boost from the Central region of the country that had excellent growing conditions.
EUROPEAN UNION (EU)					
Corn	*Oct-Sep*	60.1	+0.3	+7.7	Both EU corn area and yield are projected higher this month, based on harvest results. Higher area and yields are projected for *France*. Partly offsetting are a yield-driven reduction for *Bulgaria*.
Barley	*Jul-Jun*	48.5	+0.1	-3.2	Higher area and yields are reported for *Bulgaria*.
MEXICO					
Corn	*Oct-Sep*	25.5	-1.0	-2.6	The official statistical agency reported a reduction in projected area for summer corn, the main corn crop in Mexico. Area is projected the lowest since 2011/12. Rain deficiency during the planting period in the country's corn belt and the damage from hurricanes are the main reason for area decline.
CANADA					
Corn	*Sep-Oct*	15.1	-0.2	+0.5	Official post-harvest reports show the recently harvested crop had slightly lower yields than previously forecast.
Barley	*Aug-Jul*	8.9	+0.9	-1.1	Official post-harvest reports show the recently harvested crop had higher yields than previously forecast.
Oats	*Aug-Jul*	2.6	+0.1	-2.6	Official post-harvest reports show the recently harvested crop had slightly higher yields than previously forecast. Area is changed slightly this month and is 41 percent lower than a year before, which will be the lowest on record.
AUSTRALIA					
Barley	*Nov-Oct*	10.0	+0.3	-4.1	Improved growing conditions in key producing areas raise the yield forecast for most winter crops (barley is one of the significant winter crops in Australia). The Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) reported preliminary forecasts for area and yields for 2023/24 grains to be in line with projected changes.
EGYPT					
Barley	*Oct-Sep*	7.1	+0.2	-0.2	The effect of extreme heat that exceeded the typically very hot weather and harmed corn yields was slightly over-estimated. Yields are still projected at the lowest level since 2009/10 crop year.

[1]Change from previous month. Smaller changes are made for several countries, see map A for changes in *corn* production.
[2] YoY: year-over-year changes.
Source: USDA, Foreign Agricultural Service, *Production, Supply and Distribution* database.

The United States and Ukraine Lead a Rise in Corn Exports

12 December 2023 USDA ERS – Projected 2023/24 world coarse grain trade for the international trade year (October-September) is raised in December by 2.3 mmts to 238.5 million, with higher trade for corn and barley.

Corn trade is projected up 1.7 mmts this month to reach 199.1 million. ***Ukraine*** corn exports are projected 1.0 mmts higher this month to reach 21 million, still the lowest export volume since 2017/18 (when corn output was 24 mmts). Corn supplies are projected higher this month in Ukraine, as improved corn yields expand production by

1 mmts to 30.5 million. Ukraine is a highly export-oriented country, such that it produces grain and oilseeds largely for export. Typically, domestic consumption of corn in Ukraine is less than 20% of its supplies, and given current wartime conditions, that percentage has fallen to 16.5%. Under normal circumstances, Ukraine also does not stock much grain. However, corn stocks increase when the country's ability to export grain is hindered. Given the level of current Ukrainian corn supplies, the country could have exported even more corn as its prices continue to be very competitive, if not for Russian military actions impeding exports out of the Black Sea.

Exports of corn are projected higher for ***Turkey***, based on its recent unusually large sales to Iraq and Iran. Based on the European Commission's custom surveillance data, corn exports are also projected slightly higher for the ***European Union***. ***Mexican*** corn exports are reduced, reflecting tighter supplies of white corn.

The ***U.S*** corn export forecast for the 2023/24 October-September trade year is projected 0.5 mmts higher this month at 54.0 mmts. October U.S. Census data and November grain inspections (Agricultural Marketing Service (AMS)) confirmed the high volume of corn exports to Mexico, the major corn destination for the United States. Outstanding sales at the end of November 2023 are 40% higher and November grain inspections are up more than 50% compared to a year ago, when the United States had a smaller corn crop (lower area and yield) and U.S. price-competitiveness plunged. See map D for the changes in this month's corn exports.

Global corn import prospects are also adjusted up this month. Corn imports for ***Mexico*** are projected 0.8 mmts higher to reach a record at 19.6 million, reflecting tighter domestic supplies and competitive prices in the United States, Mexico's major corn supplier. Also, for 2022/23, Mexican corn imports are estimated 0.6 mmts higher to 19.3 million, based on the final trade data, a record-high level of exports up to that time. Projected corn imports are also increased for ***Iraq*** (additional corn coming from Turkey) and for several other countries, based on recent month's trade data from each respective country.

Citation: Ates, A.M., & Liefert, O. (2023). Feed outlook: December 2023 (Report No. FDS-23l). U.S. Department of Agriculture, Economic Research Service.

U.S. Coarse Grains Production Unchanged for the 2023/24 Marketing Year

12 December 2023 USDA ERS – The 2023/24 U.S. feed grain production forecast remains unchanged this month at 400 mmts. With no changes to the remaining supply components, the 2023/24 U.S. total feed grain supply remains at 439.4 mmts.

Strong corn exports and healthy outstanding sales, particularly for Mexico, contribute to a 25-million-bushel increase in the 2023/24 U.S. corn export forecast.

The corn and sorghum season-average prices received by farmers remain unchanged; however, barley and oats prices are raised to align with reported prices to date.

CORN

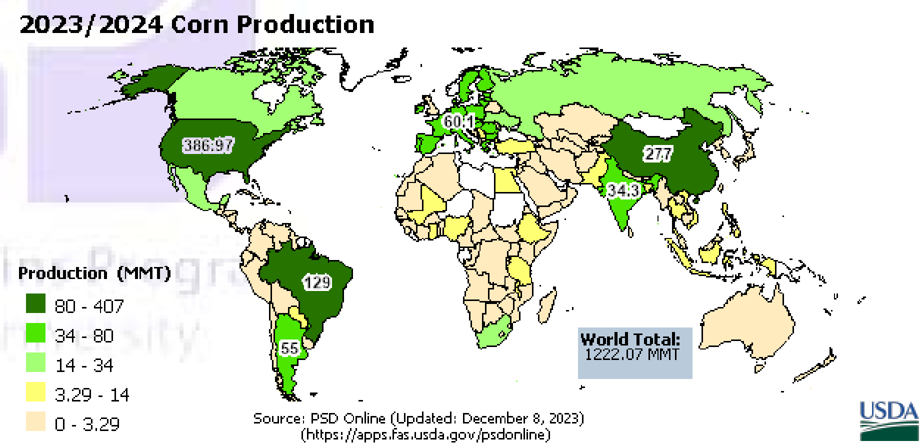
- **World Corn Supply & Demand Outlook**

Corn World as of December 2023							
Attribute	23/24 Dec'23	Change	23/24 Nov'23	22/23	21/22	20/21	19/20
Area Harvested (1000 HA)	203,520	-241(-.12%)	203,761	200,570	206,288	198,492	193,688
Beginning Stocks (1000 MT)	300,101	+878(+.29%)	299,223	310,514	292,946	307,354	322,684
Production (1000 MT)	1,222,070	+1276(+.1%)	1,220,794	1,157,243	1,217,268	1,129,313	1,123,184
MY Imports (1000 MT)	191,528	+1655(+.87%)	189,873	172,143	184,453	184,751	167,687
TY Imports (1000 MT)	192,653	+1650(+.86%)	191,003	172,514	186,618	179,776	169,683
TY Imp. from U.S. (1000 MT)	0	-	0	42,760	62,862	68,359	47,064
Total Supply (1000 MT)	1,713,699	+3809(+.22%)	1,709,890	1,639,900	1,694,667	1,621,418	1,613,555
MY Exports (1000 MT)	201,460	+1836(+.92%)	199,624	180,981	206,593	182,726	172,394
TY Exports (1000 MT)	199,068	+1701(+.86%)	197,367	180,485	193,685	184,081	175,878
Feed and Residual (1000 MT)	761,297	+1520(+.2%)	759,777	729,991	744,553	723,968	716,942
FSI Consumption (1000 MT)	435,726	+225(+.05%)	435,501	428,827	433,007	421,778	416,865
Total Consumption (1000 MT)	1,197,023	+1745(+.15%)	1,195,278	1,158,818	1,177,560	1,145,746	1,133,807
Ending Stocks (1000 MT)	315,216	+228(+.07%)	314,988	300,101	310,514	292,946	307,354
Total Distribution (1000 MT)	1,713,699	+3809(+.22%)	1,709,890	1,639,900	1,694,667	1,621,418	1,613,555
Yield (MT/HA)	6	+(+.17%)	5.99	5.77	5.90	5.69	5.80

Source: USDA PS&D

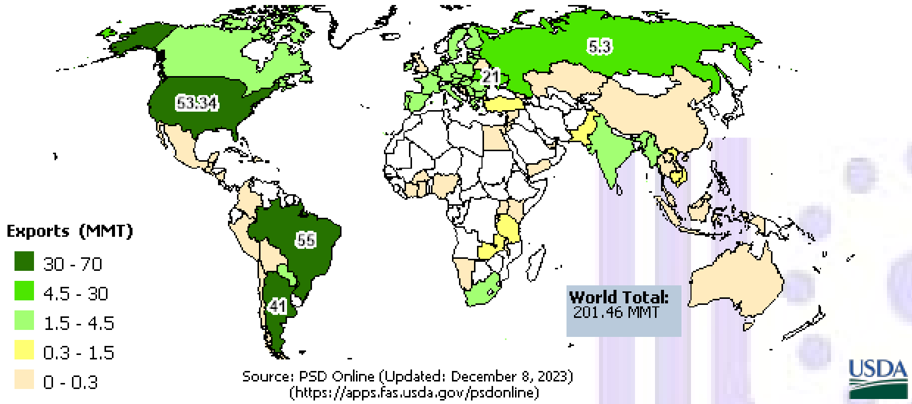
8 December 2023 USDA WASDE – The USDA global corn outlook for 2023/24 was for higher supplies, consumption, trade and ending stocks.

Non-U.S. corn production was raised with increases for Russia, Ukraine, the EU, and Egypt partially offset by reductions for Mexico and Canada. Corn production for Ukraine and Russia was raised based on reported harvest results to date. EU corn production was higher as an increase for France was partially offset by a reduction for Bulgaria. Mexico corn production was cut mostly reflecting lower area.



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

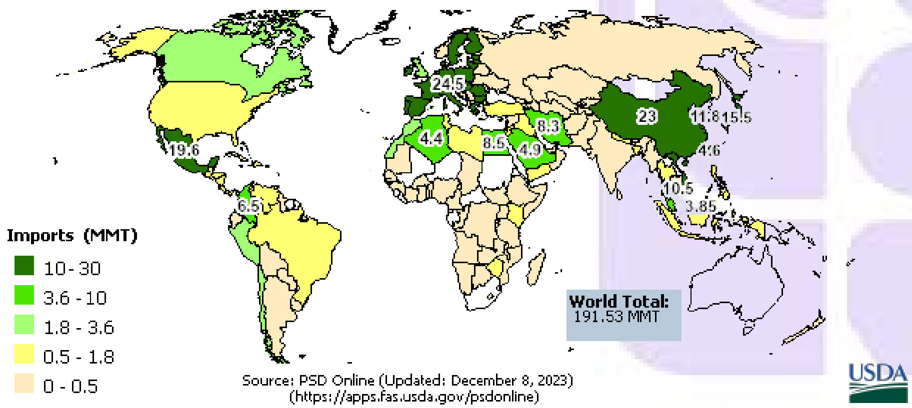
2023/2024 Corn Exports



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

Corn exports were raised for Ukraine, the United States, and Turkey.

2023/2024 Corn Imports



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

Global imports are also forecast higher, led by an increase in Mexico and Iraq, as well as several countries within Central America and North Africa, but lowered for the EU and Saudi Arabia.

Global corn ending stocks, at 315.2 mmts, was up fractionally. Non-U.S. corn ending stocks for 2023/24 were slightly higher based on increases for Ukraine and Russia.

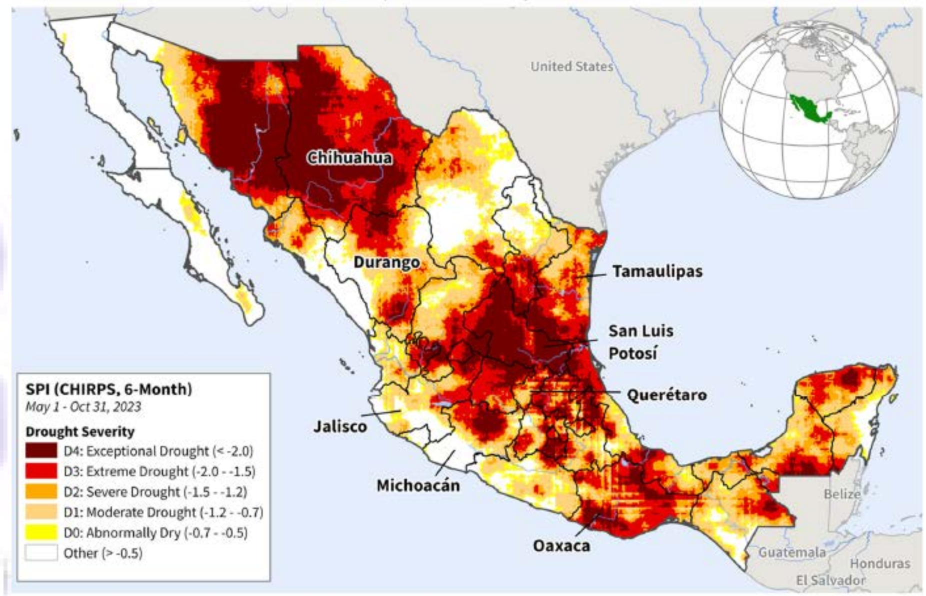
TRADE CHANGES IN 2022/23 (1,000 MT) – changes based on trade data

Country	Commodity	Attribute	Previous	Current	Change
European Union	Corn	Exports	4,000	**4,208**	**208**
	Corn	Imports	23,500	**23,150**	**-350**
India	Corn	Exports	3,400	**3,195**	**-205**
Mexico	Corn	Imports	18,800	**19,359**	**559**
Saudi Arabia	Corn	Imports	3,600	**3,300**	**-300**

- **Mexico Corn: Additional Summer Corn Damage Reported**

Mexico Summer Corn: Drought Severity

Standardized Precipitation Index, May 1 – October 31, 2023



Source: UCSB CHIRPS 6-Month Standardized Precipitation Index (SPI)

8 December 2023 USDA WASDE – Mexico's corn production for marketing year (MY) 2023/24 is estimated at 25.5 mmts, down 1.0 mmts from last month (about 4%) and 2.6 mmts (about 9%) from last year's record production.

Harvested area is estimated at 6.5 mha (mha), down 225,000 ha from last month (about 3%) and 371,000 ha (about 5%) from last year.

Yield is estimated at 3.91 mts per hectare, down 4% from last year's record yield.

About 90% of the mostly rainfed major summer corn crop is typically planted from May through August and the crop is being harvested now. As of October 2023, *Servicio de Información Agroalimentaria y Pesquera* (SIAP) has reported that 5,709,670 ha of summer corn has been planted for MY 2023/24, slightly less than last year.

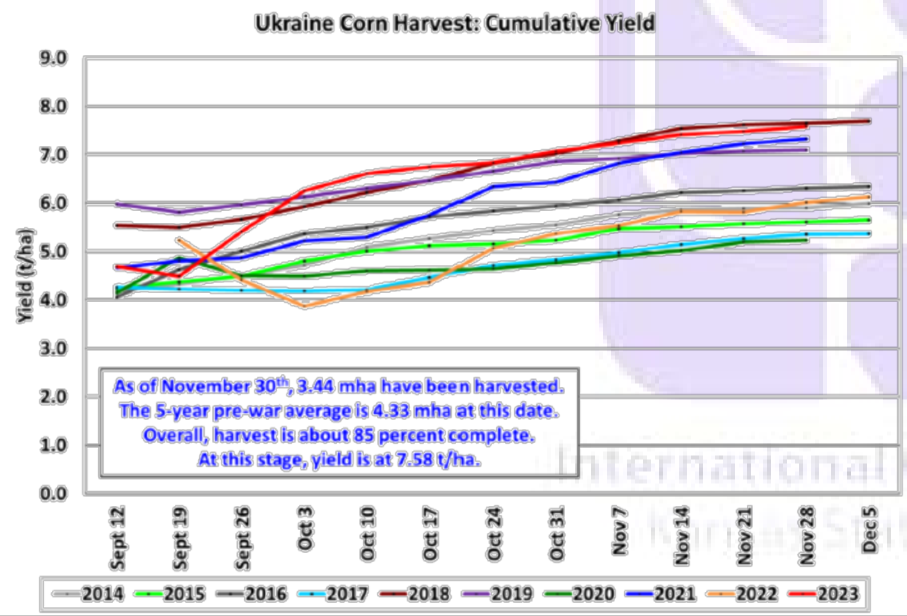
Currently, 383,864 ha of damaged area has been reported mostly from drought conditions for this season's summer corn crop, about 290,000 ha higher than the damaged summer corn area reported for last year's record crop.

Averaging about 10% of the summer corn production, Michoacán now has the highest amount of damaged summer corn area reported at 91,548 ha. In addition, most of the additional summer corn damaged area for the October 2023 report was found in Michoacán.

The winter corn crop is now being planted, and it represents about 30% of production. It is mostly irrigated; however, farmers are concerned about winter corn planting due to limited water availability for irrigation, especially in Sinaloa where most of the winter corn is planted.

(For more information, please contact Ifeoma.Collins@usda.gov.)

➢ Ukraine Corn: Yield Increase Based on Harvest Results



Source: Ukraine Ministry of Agriculture

8 December 2023 USDA WASDE – Ukraine corn production for marketing year (MY) 2023/24 is estimated at 30.5 mmts (mmt), up 3% from last month and 13% from last year, but down 11% relative to the 5-year average.

Yield is estimated at 7.63 tons per hectare (t/ha), up 3% from last month, 14% from last year, and 9% from the 5-year average. Harvested area is estimated at 4.0 mha (mha), unchanged from last month, and down 1% from last year and 18% from the 5-year average.

This month's production and yield revisions are based on Ukraine's Ministry of Agriculture (MinAg) operational harvest data. As of November 30th, harvest is about 85% complete.

Farmers have harvested 26.1 mmt of corn from an area of 3.44 mha. Yield is currently at 7.58 t/ha, tracking slightly below the 2018 record. Favorable July and early-August weather across Ukraine's corn-belt boosted this season's corn yield prospects.

At present, Ukraine can be divided into two zones, areas in conflict and areas not in conflict. As elaborated by USDA's POST in Ukraine, due to the ongoing war there is no official and reliable information about the status of Ukraine's agriculture in the conflict zone. As a result, area and production data currently provided by POST, Ukraine's MinAg and the State Statistical Service of Ukraine, which inform USDA's forecasts, do not reflect the whole country. For the MY 2023/24 season the MinAg planted area information for both the MY 2023/24 winter and spring crops excludes the temporarily occupied territory of the Donetsk, Zaporizhzhia, Luhansk and Kherson regions. This is based on an official note included in the daily MinAg planting reports. MinAg also does not include Crimea. USDA crop production estimates for Ukraine include estimated output from Crimea. Crimean area and production numbers are extracted from the agricultural crop reports provided by the Russian Statistical Agency, Rosstat.

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

➢ Russia Corn: Record Production and Yield Despite Delayed Harvest

8 December 2023 USDA WASDE – Russia corn production for marketing year 2023/24 is estimated at a record 17.0 mmts, up 6% from last month, 7% from last year, and 20% from the 5-year average.

Yield is estimated at a record 6.60 tons per hectare (t/ha), up 6% from last month, 10% from last year, and 23% from the 5-year average. Harvested area is estimated at 2.6 mha, unchanged from last month, and down 2% from last year and from the 5-year average.

Yield and production are revised up month-to-month based on harvest data from the Russian Ministry of Agriculture (MinAg). As of November 30th, harvest is about 80% complete, as compared to about 92% on average (excluding 2022).

The harvest delay is likely to be caused by cold and wet November weather; in addition, parts of the more northern corn producing regions are already covered by snow. Russia's official operational harvest results indicate record corn yield (7.23

t/ha), which currently tracks about 21% above last year's record crop (6.00 t/ha); however, yield is slightly lower (7.19 t/ha) when computed using the reported rounded production and yield numbers. The latest MinAg harvest data reports that 15.1 mmt of corn has been harvested from 2.1 mha.

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

➤ <u>Corn Export Prices (FOB, US$/mt)</u> as of 13th December 2023

		TW	LW	LY	%Y/Y
Argentina, Up River	Dec	219	224	309	-29
Brazil, Paranagua	Jan	229	232	293	-22
Ukraine	-	-	-	256	-
US 3YC Gulf	Jan	214	216	311	-31

Source: International Grains Council

US maize futures posted weekly net losses of 1%. Amid little fresh news, price direction was often influenced by movements in neighboring markets, but with some pressure from bearish technical features and USDA's increased global supply forecast.

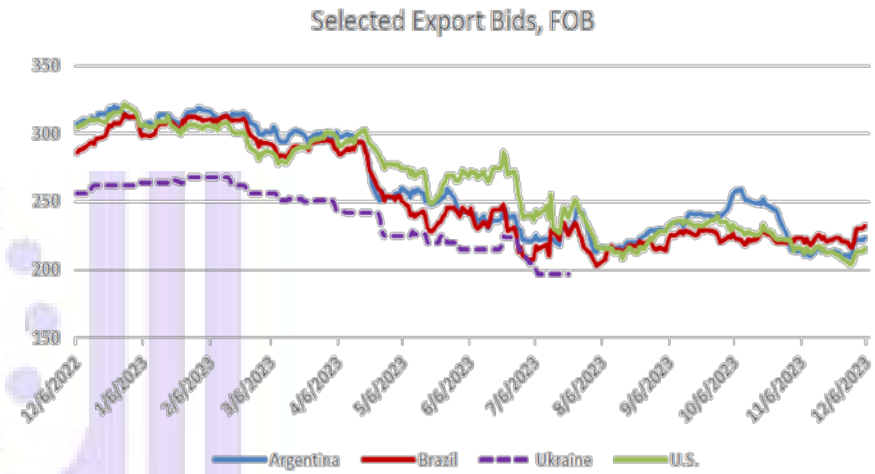
Linked to a smaller area and reduced yield expectations for Brazil's first (full-season) crop, Conab cut its 2023/24 production forecast by 0.5 mmts m/m, to 118.5 mmts (-10%). Although the agency's forecasts for use and exports were unchanged m/m, at 84.5 mmts (+6%) and 38.0 mmts (-32%), respectively, a much smaller carry-in resulted in a sharp reduction to its ending stocks estimate, down by 4.4 mmts, to 4.5 mmts (-29%). Farmers in Mato Grosso were reportedly holding back new crop sales amid mounting worries about the second (safrinha) crop.

As of the 7th of December, 2023/24 plantings in Argentina officially exceeded the halfway mark, with the pace similar to one year earlier. The new government suspended the grain export registry until further notice, with market participants wary of potential adjustments to policies relating to export taxes and exchange rates.

Following improved weather, shipments from Ukraine rebounded by 191% in the w/e the 8th of December, to 922,000 mts, with the cumulative 2023/24 (Jul/Jul) at 6.8 mmts (-34%). Traders reported a more general shift in export flows away from the Danube River to deep-sea ports. Maize was reportedly offered at around US$229 C&F for December/January shipment to Egypt, Libya and the EU (Italy).. .

➤ <u>USDA Corn Prices</u>

8 December 2023 USDA FAS – Since the November WASDE, bids for all major exporters have increased. U.S. bids were $213/ton, up $1 from last month.



Source: International Grains Council

Export bids (fob, US$ per ton)	6-Dec-23	7-Nov-23	6-Dec-22	% change, YoY
Argentina, Up River	220	211	307	-28%
Brazil, Paranaguá	230	219	286	-19%
Ukraine	-	-	256	
U.S. #3 Yellow Corn, Gulf	213	212	304	-30%

Record production in the United States and easing Mississippi river shipping costs are moderating prices, despite a recent surge in sales to Mexico and Japan. Brazilian bids were $230/ton, up $11 from last month. Sustained demand for Brazil corn, particularly from China, and logistics challenges through northern export routes are keeping reported bids at a small premium.

Argentine bids were $220/ton, up $9 from last month. Higher prices largely reflect movements in other export markets, with bids quiet ahead of the December 10th inauguration of Argentina's new president, and the potential impact of proposed economic policy changes on agricultural markets.

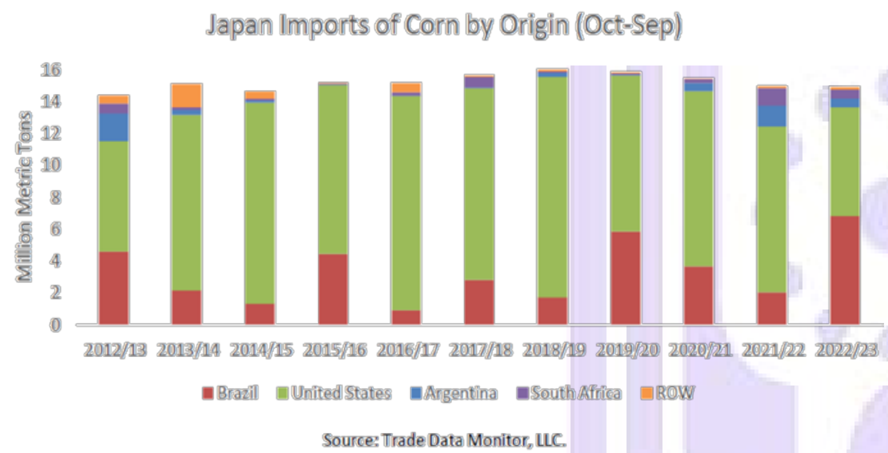
Ukrainian bids have not been published since July 21.

➤ <u>U.S. Share of Japan Corn Market Dips to Lowest Level since 2012/13</u>

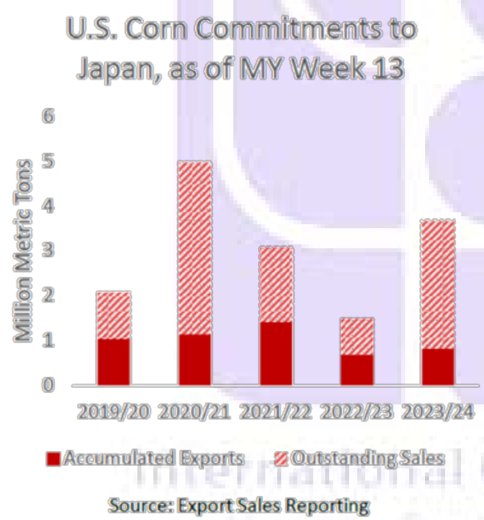
8 December 2023 USDA FAS – For the first time ever, Brazil corn exports to Japan surpassed the United States in overall volume in 2022/23, with Japan importing 6.9 mmts of corn from Brazil.

In contrast, U.S. exports to Japan dropped to just under 6.9 mmts, a nearly 2.9-million ton drop year over year (-31%). U.S. market share in Japan declined to just 46% versus the average of 75% over the previous 9 years. This was only the second time in the past 20 years that the United States accounted for less than 50% market share in Japan. The last time U.S. market share sunk to a similar level was 2012/13, when severe drought slashed U.S. production from the prior year.

U.S. Share of Japan Corn Market Dips to Lowest Level since 2012/13



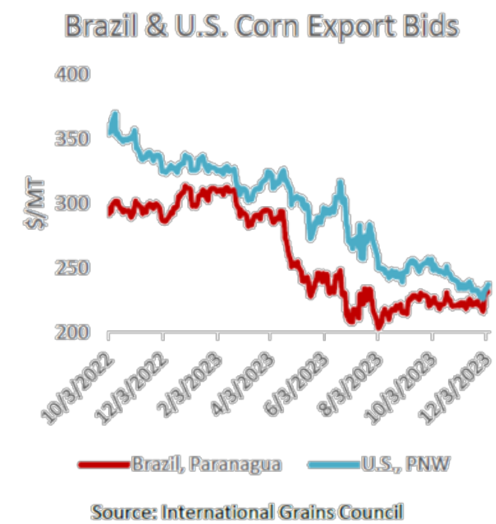
Over the past 4 years, Japan ranked as the fourth-largest corn importer in the world. In dollar terms, U.S. corn trade to Japan is worth around $2.4 billion on average, around 20% of the value of U.S. corn exports to the world each year.



Headwinds for U.S. corn are partially attributable to broader trends in Japan's corn import market in 2022/23. Japan imports declined as record global corn prices pushed buyers towards substitutes. For much of 2022/23, domestically produced feed rice was price competitive with imported corn supplies. As a result, the ratio of corn in feed rations declined from an average of 48% during the prior 5 years to 45% in 2022/23.

In addition, overall corn imports are dampened by a weakening yen. Policy efforts by the Bank of Japan resulted in the Japanese yen falling against the U.S. dollar – with the real effective exchange rate dropping to 74.31 in July 2023– the lowest rate recorded by Japan since the 1970s. As a result, Japan's import costs are set to remain well above historical averages.

However, most of the shift in Japan's corn market is attributable to competition from Brazil. Japan imports most of its corn from either the United States or Brazil and switches sourcing between each seasonally based on price. Logistics challenges in the United States between October and December 2022, and tighter than usual supplies in the United States resulted in a significant price wedge that favored Brazil during 2022/23. This wedge reached a high of $40/ton in April 2023 when landed values averaged approximately $330/ton from Brazil versus $370/ton from the United States.



Early season data suggests that the U.S. market share should rebound in 2023/24. U.S. export bids at Pacific Northwest ports, the major route for U.S. corn exports to Japan, versus Brazil have narrowed to just $5/ton as of December 2023, versus a $40 spread in December 2022. Additionally, Export Sales Reporting data indicates total sales and shipments of U.S. corn to Japan stand at 3.6 mmts as of November 30, compared to 1.4 mmts in 2022/23, and 13% higher than the 5-year average of 3.2 mmts.

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

Corn United States as of December 2023							
Attribute	**23/24 Dec'23**	**Change**	**23/24 Nov'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	-	34,579	34,975	31,358	48,757	56,410
Production (1000 MT)	386,969	-	386,969	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	1,022	607	629	959
TY Imp. from U.S. (1000 MT)	0	-	0	0	0	0	0
Total Supply (1000 MT)	422,183	-	422,183	384,327	414,866	407,820	403,436
MY Exports (1000 MT)	53,342	+635(+1.2%)	52,707	42,195	62,802	69,775	45,175
TY Exports (1000 MT)	54,000	+500(+.93%)	53,500	42,833	62,978	68,293	47,035
Feed and Residual (1000 MT)	143,517	-	143,517	140,963	145,457	142,428	149,830
FSI Consumption (1000 MT)	171,205	-	171,205	166,590	171,632	164,259	159,674
Total Consumption (1000 MT)	314,722	-	314,722	307,553	317,089	306,687	309,504
Ending Stocks (1000 MT)	54,119	-635(-1.16%)	54,754	34,579	34,975	31,358	48,757
Total Distribution (1000 MT)	422,183	-	422,183	384,327	414,866	407,820	403,436
Yield (MT/HA)	10.98	-	10.98	10.88	11.09	10.76	10.51

Source: USDA PS&D

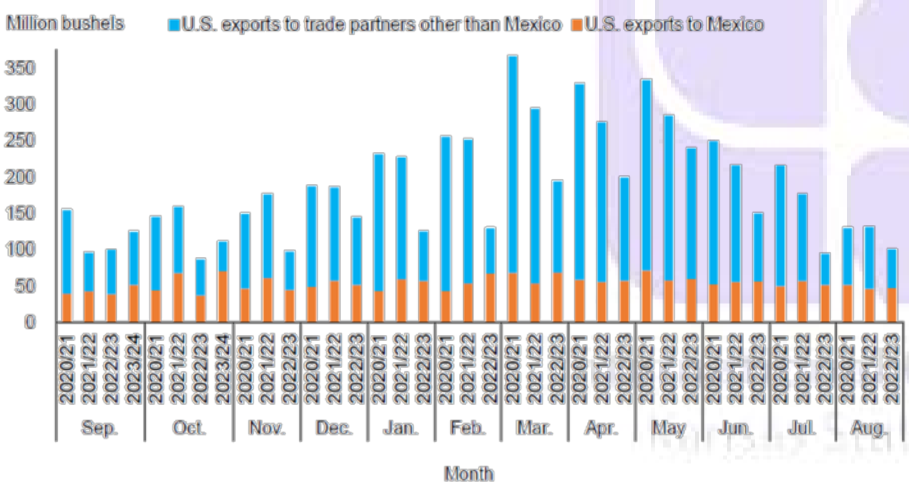
U.S. Corn Exports Are Raised on Strengthening Demand from Mexico

12 December 2023 USDA ERS – This month, there were no changes to 2023/24 U.S. corn production. Sitting at 15.2 bbus, this current projection is supported by stronger than expected yields provided by the USDA, National Statistics Service (NASS) in November.

As farmers wrap-up this year's harvest and report final harvested acreage and yields, January estimates from NASS will provide clarity on the 2023 U.S. corn crop. Nevertheless, the 2023/24 corn supply forecast remains unchanged at 16.6 bbus this month, as accumulated corn imports suggest that the United States is poised to hit the current forecast of 25 mbus.

The USDA FAS reported that (as of November 30th, 2023) U.S. corn export commitments (accumulated exports plus outstanding sales) were just over 1 bbus. This number is nearly 300 mbus higher than the same time last year and is largely driven by heavy corn purchasing from Mexico. As detailed further in the International section, Mexico's 2023/24 corn production forecast is lowered by 1 mmts on lower area. Although higher beginning stocks help alleviate the cut to the overall Mexican corn supply, it is not enough to completely offset such a loss—particularly on the heels of growing Mexican red meat and poultry production. In response, Mexico has ramped up imports of U.S. corn. In fact, U.S. corn exports to Mexico jumped 20 mbus in October from the previous month, accounting for nearly 64% of the October U.S. corn trade.

Monthly U.S. corn exports to Mexico and other trade partners

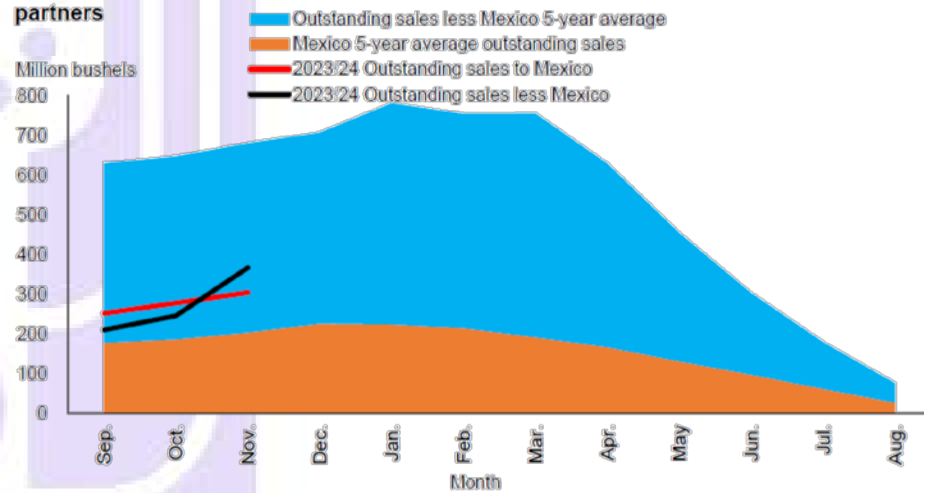


Source: USDA, Economic Research Service using data from USDA, Foreign Agricultural Service, *Global Agricultural Trade System.*

Export inspection data provide insights to future U.S. export volumes ultimately reported by the U.S. Bureau of the Census. For November 2023, grain inspection data provided by the USDA, Agricultural Marketing Service (AMS) indicate that the United States shipped about 1.6 mmts of corn to Mexico. While this number is marginally higher than the October total, it is 900,000 mts higher than the November 2022 inspections number.

Nevertheless, export inspections data are an indicator—not a fully representative value of realized exports. This distinction is important, especially as it pertains to export inspections reporting requirements. That is, by law, truck and rail shipments to Canada or Mexico are not required to be inspected. For this reason, and the fact that much of the U.S. corn is shipped to Mexico via truck or rail, it is likely that reported U.S. Census data exports to Mexico for November will exceed 1.6 mmts.

Monthly U.S. corn outstanding sales to Mexico and other trade partners



Source: USDA, Economic Research Service using data from USDA, Foreign Agricultural Service, *Exports Sales Query System.*

Reported U.S. corn export sales and outstanding sales to Mexico further suggest that November shipments will exceed October volumes. For perspective, U.S. corn export sales to Mexico were 55% higher in November than October. Moreover, FAS reported that outstanding sales of U.S. corn to Mexico grew by 9.4% over the last month. Thus, despite the growing corn demand by Mexico, November will represent the first month of the 2023/24 marketing year in which more than 50% of outstanding U.S. corn sales are not claimed by Mexico. In short, this number signals strong demand in the 2023/24 marketing year for U.S. corn exports. These factors support the 25-million-bushel increase in the 2023/24 corn export forecast to 2.1 bbus. This change is reflected in the ending stocks projection, which is lowered to 2.13 bbus.

The USDA season-average farm price is unchanged at $4.85/bu.

Citation: Ates, A.M., & Liefert, O. (2023). Feed outlook: December 2023 (Report No. FDS-23l). U.S. Department of Agriculture, Economic Research Service.

CME CBOT Corn Futures – Nearby Daily

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

The corn market firmed up in the afternoon on Friday and ended the last trade day of the week near the session highs on 3 ¼ to 3 ¾ cent gains.

CBOT March 2024 Corn Futures *settled on Friday at $4.83/bu, up 3¾ cents on the day, but loosing 2¼ cents on the week. May 24Corn closed at $4.95¼, up 3¼ cents, while Jul24 Corn closed at $5.04¾, up 3¼ cents, Corn now shows a 25¾ cent carry to Dec24 values.*

The new crop soy/corn ratio was 2.491 at the close, compared to 2.509 at the start of November.

The weekly CFTC data showed managed money closed out of 11.3k shorts during the week that ended 12/12. With some light long liquidation as well, that left the group 9k contracts less net short at 151,570 contracts. The commercial corn traders extended their net short by 6k contracts for the week to 45,655.

SAM weathers forecast for rain mid next week needs to verify to avoid adding more risk premium to futures.

A quiet day in US cash corn as movement to many end users is down to a trickle.

Cash basis along IWDS was 2 under DVE for March, so am in camp we either get more carry or a soft DVE basis selling opportunity.

U.S. Export Corn Values – Friday the 15th December 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	12/14/2023	12/15/2023	Del. Mo.
DEC	/ 39	33 / 38	H
LH DEC	/ 45	/	H
JAN	47 / 51	48 / 50	H
FEB	54 / 57	55 / 58	H
MAR	57 / 61	58 / 61	H
APR	52 / 57	51 / 56	K
MAY	52 / 57	51 / 56	K
AM	52 / 57	/	K

BRAZIL FOB CORN @ PORT PARANAGUA

	12/14/2023	12/15/2023		
JAN	85 / 95	85 / 95	H	UNC
JUL	55 / 75	55 / 75	N	UNC
AUG	55 / 75	55 / 75	U	UNC
SEP	55 / 75	55 / 75	U	UNC

Is US Gulf corn demand improving? Recent barge loadings are up 40%+ vs last year at 14.4 mbus/wk; Gulf vessels due in 10 days stand at 56 vs 48 last year; with unshipped corn sales 38% higher. Non-Mexico exports totalling 58% / 134 mbus larger at 366 mbus; and weekly inspections went from 12/wk (same pace this year) to 16 in the nearby.

The Buenos Aires Grains Exchange reported corn plating at 49% complete, a 9% point advancement for the week.

Unfortunate to see a relatively small carbon pipeline project denied by our local Illinois ounty board, this will certainly delay and possibly prevent a local ethanol plant from lowering the carbon intensity (CI) of their ethanol. Lower CI ethanol is needed to qualify for US gov't incentives starting in 2025, and to capture the growth in low CI fuel markets like Canada which is our largest export market.

BARLEY

➢ World Barley Supply & Demand Outlook

Barley World as of December 2023							
Attribute	23/24 Dec'23	Change	23/24 Nov'23	22/23	21/22	20/21	19/20
Area Harvested (1000 HA)	47,384	+19(+.04%)	47,365	47,192	49,750	51,970	52,451
Beginning Stocks (1000 MT)	19,844	-531(-2.61%)	20,375	18,228	20,811	21,891	20,158
Production (1000 MT)	143,590	+1306(+.92%)	142,284	151,483	145,300	161,414	159,247
MY Imports (1000 MT)	27,648	+732(+2.72%)	26,916	31,264	30,087	36,066	28,638
TY Imports (1000 MT)	26,810	+630(+2.41%)	26,180	29,794	29,093	36,913	28,000
TY Imp. from U.S. (1000 MT)	0	-	0	56	67	346	154
Total Supply (1000 MT)	191,082	+1507(+.79%)	189,575	200,975	196,198	219,371	208,043
MY Exports (1000 MT)	27,488	+315(+1.16%)	27,173	30,664	32,342	36,281	28,952
TY Exports (1000 MT)	27,546	+600(+2.23%)	26,946	30,363	28,494	37,372	29,478
Feed and Residual (1000 MT)	99,633	+1278(+1.3%)	98,355	105,078	100,085	116,643	111,500
FSI Consumption (1000 MT)	45,857	-88(-.19%)	45,945	45,389	45,543	45,636	45,700
Total Consumption (1000 MT)	145,490	+1190(+.82%)	144,300	150,467	145,628	162,279	157,200
Ending Stocks (1000 MT)	18,104	+2(+.01%)	18,102	19,844	18,228	20,811	21,891
Total Distribution (1000 MT)	191,082	+1507(+.79%)	189,575	200,975	196,198	219,371	208,043
Yield (MT/HA)	3.03	+(+1%)	3	3.21	2.92	3.11	3.04

Source: USDA PS&D

12 December 2023 USDA ERS – World **barley** trade is raised for 2023/24 compared with the November report, with imports for the October-September trade year 0.6 mmts higher.

Barley import projections are raised for ***China*** (0.6 mmts higher), with the added inflows to be used predominantly for feed use. China is expected to take advantage of higher barley production and lower prices in Canada and Australia. Canada is currently one of China's major barley suppliers, and before 2020, Australia was by far the dominant foreign provider. Since 2020, the duties that China has imposed solely on imported Australian barley have effectively blocked the latter's barley exports. However, China recently agreed to re-register two of its important Australian barley suppliers and it is anticipated that barley trade between these two countries will grow.

Barley export projections are raised for ***Australia*** (0.3 mmts) and ***Canada*** (0.3 mmts), based on higher production projections that allow for additional supplies to be exported. All additional barley exports from these two countries are expected to be shipped to China.

Citation: Ates, A.M., & Liefert, O. (2023). Feed outlook: December 2023 (Report No. FDS-23l). U.S. Department of Agriculture, Economic Research Service.

➢ Barley Export Prices (FOB, US$/mt) as of 13th of December 2023

		TW	LW	LY	%Y/Y
Argentina Feed, Up River	Dec	222	224	355	-37
Australia Feed, Port Adelaide (SA) a)	Dec	254	252	288	-12
Australia Malting, Adelaide, (SA) a)	Dec	290	287	353	-18
Black Sea Feed	Jan	190	-	273	-30
EU (France), Feed Rouen	Dec	231	228	305	-24

Source: International Grains Council

World feed barley export prices were mostly firmer over the past week, albeit with trading activity generally light amid few fresh fundamental developments.

Harvesting in Australia's eastern cropping areas was disrupted by wet weather, while operations in Western Australia were set to be finished within the next fortnight. In reported trades. Tunisia's state grains agency purchased 50,000 mts of feed barley at US$237 C&F, from optional origins (likely from Black Sea suppliers), for January/February shipment.

Argentina's harvesting pace accelerated, but at 17% complete, was slightly slower compared to recent years.

In its first update, the French Farm Ministry projected 2024/25 winter barley plantings at 1.3 mha, seen 4% lower y/y but still potentially 3% above the prior five-year average. According to FranceAgriMer, winter barley plantings reached 94% done by the 4th of December (100% last year, 98% 5-year average), with spring barley at 10% (15%, 10%).

Russian values were assessed higher, with worsening weather conditions reportedly adding to logistical costs.

➢ Australia October Barley exports surge on China buying

13 December 2023 Liz Wells, Grain Central - AUSTRALIA exported 926,675 mts of barley in October, according to the latest data from the Australian Bureau of Statistics.

FEED	Aug	Sep	Oct	Tonnes
Bahrain	0	0	41	41
China	1501	158539	540251	700291
Hong Kong	9	0	12	21
Japan	166427	62558	99597	328582
Malaysia	175	1	171	347
New Caledonia	301	189	205	695
New Zealand	0	4950	0	4950
Papua New Guinea	25	0	0	25
Philippines	2922	55498	62621	121041
South Korea	491	22729	200	23420
Taiwan	3276	4053	1678	9007
Thailand	1377	32551	1574	35502
Vietnam	78732	1217	6794	86743
TOTAL	**255237**	**342284**	**713144**	**1310665**

Table 1: Australian feed barley exports for August, September and October 2023. Source: ABS

Feed barley exports more than doubled to mark the opening month of the shipping year, and totaled 713,144 mts, up from 342,284 mts exported in September.

MALTING	Aug	Sep	Oct	Tonnes
China	54188	212877	123878	390943
Ecuador	0	7700	0	7700
Japan	0	0	20	20
Mexico	33000	33000	33000	99000
Peru	0	25000	0	25000
Philippines	932	1698	1232	3861
Saudi Arabia	0	0	21	21
Singapore	2163	2351	3745	8259
South Africa	0	16500	15750	32250
Thailand	531	527	553	1612
Vietnam	1673	2157	35332	39161
TOTAL	**92486**	**301810**	**213531**	**607826**

Table 2: Australian malting barley exports for August, September and October 2023. Source: ABS

Malting barley exports in October totalled 213,531 mts, down 29% from the 301,810 mts shipped in September.

China on 540,251 mts was the destination for 76% of Australia's October feed barley exports, with Japan on 99,597 mts and The Philippines on 62,621 mts the other volume buyers.

Flexi Grain pool manager Sam Roache said feed barley exports "exploded" in October. "This was the first month when Chinese export demand was properly reflected on the shipping stem, and there were still some restrictions over total tonnage shipped," Mr Roache said. "That's because many port zones were low on inventory, and were therefore unable to participate until new-crop harvest hits the bins. "Additionally some other destination business was still being executed including The Philippines, which must be from prior to the China tariff removal as it doesn't price well now."

Mr Roache said there was more upside to come for monthly feed barley shipments. "We expect to see shipments pushing up to 1 million tonnes (Mt) a month for November and December, and we already see around 500,000t on the stems for January, not including containers."

Mr Roache said Australia looks like shipping an "astonishing" 4 mts in total from October 1st to January or February. "That's an amazing figure, considering a total export availability of around 5 mmts for the Oct-Sep marketing year. To be anywhere near 80% shipped on an average crop so early in the season is unprecedented."

Mr Roache said the underlying factor was China's "extremely strong" total barley demand, and well-priced Australian barley therefore being the largest supplier.

"China's buying and shipping pace indicates demand is far deeper than the USDA estimate and many traders' figures, but the program is becoming hard to ignore. Current business implies that China will buy at least 3-4 mmts more than USDA estimate, which is a significant figure in the barley space."

On malting, China on 123,878 mts was also the volume buyer, followed by Mexico on 35,332mts and Vietnam on 33,000 mts.

"The strong Mexico, South Africa and Vietnam demand is great to see, but it is all likely to be business put on prior to China tariff removals and wouldn't calculate so well on price today. With Chinese demand so strong and our significant freight advantage to China versus competing origins, I think we will see Australian competitiveness to South America, and Middle East / Africa drop off further over the medium term."

"Australia's malting barley is priced very competitively versus Canadian and French, and will get all the business it needs, and probably more, on price today."

➢ U.S. Barley Supply & Demand Outlook

Barley United States as of December 2023							
Attribute	23/24 Dec'23	Change	23/24 Nov'23	22/23	21/22	20/21	19/20
Area Harvested (1000 HA)	1,034	-	1,034	990	805	896	899
Beginning Stocks (1000 MT)	1,264	-	1,264	918	1,555	1,747	1,884
Production (1000 MT)	4,029	-	4,029	3,811	2,615	3,719	3,756
MY Imports (1000 MT)	305	-	305	513	320	142	154
TY Imports (1000 MT)	325	-	325	461	458	137	157
TY Imp. from U.S. (1000 MT)	0	-	0	0	0	0	0
Total Supply (1000 MT)	5,598	-	5,598	5,242	4,490	5,608	5,794
MY Exports (1000 MT)	65	-	65	46	160	300	125
TY Exports (1000 MT)	75	-	75	57	70	349	155
Feed and Residual (1000 MT)	1,306	-	1,306	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	-	4,028	3,932	3,412	3,753	3,922
Ending Stocks (1000 MT)	1,505	-	1,505	1,264	918	1,555	1,747
Total Distribution (1000 MT)	5,598	-	5,598	5,242	4,490	5,608	5,794
Yield (MT/HA)	3.90	-	3.90	3.85	3.25	4.15	4.18

Source: USDA PS&D

Grain Sorghum

➢ World Grain Sorghum Supply & Demand Outlook

Sorghum World as of December 2023							
Attribute	23/24 Dec'23	Change	23/24 Nov'23	22/23	21/22	20/21	19/20
Area Harvested (1000 HA)	41,745	-	41,745	39,675	40,609	43,007	39,359
Beginning Stocks (1000 MT)	3,595	+137(+3.96%)	3,458	4,097	3,970	3,725	5,194
Production (1000 MT)	59,920	-	59,920	55,265	60,632	62,792	56,827
MY Imports (1000 MT)	8,488	-	8,488	6,102	12,553	9,930	5,605
TY Imports (1000 MT)	8,483	-	8,483	6,106	12,534	9,968	5,629
TY Imp. from U.S. (1000 MT)	0	-	0	2,833	7,329	6,877	5,325
Total Supply (1000 MT)	72,003	+137(+.19%)	71,866	65,464	77,155	76,447	67,626
MY Exports (1000 MT)	8,676	-	8,676	6,397	11,758	11,423	6,514
TY Exports (1000 MT)	9,083	-	9,083	6,888	11,812	10,552	6,386
Feed and Residual (1000 MT)	22,478	-	22,478	18,921	26,308	24,131	20,350
FSI Consumption (1000 MT)	37,010	-	37,010	36,551	34,992	36,923	37,037
Total Consumption (1000 MT)	59,488	-	59,488	55,472	61,300	61,054	57,387
Ending Stocks (1000 MT)	3,839	+137(+3.7%)	3,702	3,595	4,097	3,970	3,725
Total Distribution (1000 MT)	72,003	+137(+.19%)	71,866	65,464	77,155	76,447	67,626
Yield (MT/HA)	1.44	-	1.44	1.39	1.49	1.46	1.44

Source: USDA PS&D

- ## Australia October Barley exports surge on China buying

13 December 2023 Liz Wells, Grain Central - AUSTRALIA exported 42,851 mts of sorghum in October, according to the latest data from the Australian Bureau of Statistics. Sorghum exports dived from 271,593 mts in September to reflect the rundown on available stocks.

SORGHUM	Aug	Sep	Oct	Tonnes
Bahrain	0	0	24	24
China	230959	255340	40433	526732
Japan	31585	10937	42	42564
Philippines	1521	1666	1746	4932
Taiwan	3990	3651	606	8247
TOTAL	**268055**	**271593**	**42851**	**582499**

Table 3: Australian sorghum exports for August, September and October 2023. Source: ABS

Mr Roache said some excellent rain through most growing areas, and with more on the forecast, is expected to underpin a much bigger planted area than was initially forecast. "This should see a robust export program continue."

Mr Roache said China was showing significant demand for sorghum. "Shipments are running hot and US sorghum exports are far outpacing USDA yearly demand estimates. "Marketing the crop doesn't seem like an issue today."

- ## USDA – U.S. Grain Sorghum

Sorghum United States as of December 2023							
Attribute	23/24 Dec'23	Change	23/24 Nov'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	-	616	1,201	516	764	1,617
Production (1000 MT)	8,175	-	8,175	4,770	11,375	9,474	8,673
MY Imports (1000 MT)	1	-	1	0	0	1	1
TY Imports (1000 MT)	1	-	1	0	0	1	1
TY Imp. from U.S. (1000 MT)	0	-	0	0	0	0	0
Total Supply (1000 MT)	8,792	-	8,792	5,971	11,891	10,239	10,291
MY Exports (1000 MT)	5,588	-	5,588	2,771	7,515	7,085	5,162
TY Exports (1000 MT)	5,700	-	5,700	2,965	7,387	6,926	5,404
Feed and Residual (1000 MT)	1,143	-	1,143	1,080	2,031	2,465	2,456
FSI Consumption (1000 MT)	1,398	-	1,398	1,504	1,144	173	1,909
Total Consumption (1000 MT)	2,541	-	2,541	2,584	3,175	2,638	4,365
Ending Stocks (1000 MT)	663	-	663	616	1,201	516	764
Total Distribution (1000 MT)	8,792	-	8,792	5,971	11,891	10,239	10,291
Yield (MT/HA)	3.23	-	3.23	2.58	4.33	4.59	4.58

Source: USDA PS&D

- ## Grain Sorghum Export Prices (FOB, US$/mt) the 13th of December 2023

		TW	LW	LY	%Y/Y
Argentina, Up River	Dec	282	282	291	-3
Australia, Brisbane a)	Dec	327	326	319	+2
US No. 2 YGS, Gulf	Jan	272	274	360	-24

Source: International Grains Council

US Gulf sorghum export quotations were slightly lower w/w on softer maize futures. Export sales in the week ending the 30th of November totalled 119,113 mts, with the 2023/24 (Sep/Aug) cumulative tally at 3.6m t, a 10-fold y/y gain.

In USDA's December WASDE report, 2023/24 US production was forecast unchanged m/m, at 8.2 mmts (4.2 mmts previous year), with exports pegged at 5.6 mmts (2.8 mmts).

In Argentina, 2023/24 plantings were officially estimated to be 45% complete by the 7th of December (48% year ago).

Sowing of the rabi (winter-sown) crop in India was complete on 1.8 mha by the 8th of December (1.9 mmts a year earlier).

TX FOB VESSEL MILO (USc/MT)	**12/14/2023**	**12/15/2023**		
January	205	205	H	**UNC**
February	205	205	H	**UNC**
March		205	H	

Very quiet cash markets in sorghum continues. Weekly sales activity remains active with China being the major buyer.

Texas gulf truck bid/ask remains wide – bids in the +140 to +150 which is 30 to 50 cents light of the offer side. Rail values are difficult to define, though not seeing a significant amount of switching yet from Texas Gulf to PNW origin based on the lack of inquiries the Western shipper is seeing.

US Gulf sorghum export shipments are 3 times greater than last year at this time, 56.1 mbus., while sorghum sales are 10 times greater at 141 mbus (14 LY), unshipped sales 101 mbus vs 7 mbus LY.

Sorghum sales for the marketing year are off to a very strong start at 141 mbus which is a 127 million increase over the 22-23 pace. China has been the driver, buying 124 million through the 1st quarter. That's 4 million more than at this point in the 21-22 year when their total milo imports from the U.S. reached 260 mbus. China's peak imports of U.S. sorghum reached 315 mbus in the 14/15 market year. Sales at this point in 2014/15 were just under 160 mbus.

OATS

➢ World Oats Supply & Demand Outlook

Oats World as of December 2023							
Attribute	23/24 Dec'23	Change	23/24 Nov'23	22/23	21/22	20/21	19/20
Area Harvested (1000 HA)	8,364	-27(-.32%)	8,391	9,327	9,623	10,062	9,545
Beginning Stocks (1000 MT)	3,468	+24(+.7%)	3,444	2,439	3,025	2,235	2,192
Production (1000 MT)	20,547	+122(+.6%)	20,425	25,121	22,680	25,705	23,200
MY Imports (1000 MT)	2,467	+5(+.2%)	2,462	2,771	2,405	2,528	2,512
TY Imports (1000 MT)	2,296	+5(+.22%)	2,291	2,851	2,337	2,615	2,518
TY Imp. from U.S. (1000 MT)	0	-	0	22	25	42	23
Total Supply (1000 MT)	26,482	+151(+.57%)	26,331	30,331	28,110	30,468	27,904
MY Exports (1000 MT)	2,365	-	2,365	2,752	2,517	2,766	2,529
TY Exports (1000 MT)	2,366	-	2,366	2,934	2,364	2,698	2,632
Feed and Residual (1000 MT)	14,192	-	14,192	16,327	15,391	16,990	15,607
FSI Consumption (1000 MT)	7,779	+95(+1.24%)	7,684	7,784	7,763	7,687	7,533
Total Consumption (1000 MT)	21,971	+95(+.43%)	21,876	24,111	23,154	24,677	23,140
Ending Stocks (1000 MT)	2,146	+56(+2.68%)	2,090	3,468	2,439	3,025	2,235
Total Distribution (1000 MT)	26,482	+151(+.57%)	26,331	30,331	28,110	30,468	27,904
Yield (MT/HA)	2.46	+(+1.23%)	2.43	2.69	2.36	2.55	2.43

Source: USDA PS&D

➢ USDA – US Oats Supply & Demand Outlook

Oats United States as of December 2023							
Attribute	23/24 Dec'23	Change	23/24 Nov'23	22/23	21/22	20/21	19/20
Area Harvested (1000 HA)	336	-	336	360	263	408	335
Beginning Stocks (1000 MT)	505	-	505	474	552	534	549
Production (1000 MT)	828	-	828	837	578	954	773
MY Imports (1000 MT)	1,465	-	1,465	1,449	1,396	1,472	1,586
TY Imports (1000 MT)	1,300	-	1,300	1,609	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	-	2,798	2,760	2,526	2,960	2,908
MY Exports (1000 MT)	29	-	29	28	37	46	30
TY Exports (1000 MT)	30	-	30	28	33	51	32
Feed and Residual (1000 MT)	1,030	-	1,030	1,051	863	1,224	1,160
FSI Consumption (1000 MT)	1,175	-	1,175	1,176	1,152	1,138	1,184
Total Consumption (1000 MT)	2,205	-	2,205	2,227	2,015	2,362	2,344
Ending Stocks (1000 MT)	564	-	564	505	474	552	534
Total Distribution (1000 MT)	2,798	-	2,798	2,760	2,526	2,960	2,908
Yield (MT/HA)	2.46	-	2.46	2.32	2.20	2.34	2.31

Source: USDA PS&D

CME CBOT Oat Futures – Daily Nearby

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

CME March 2024 Oats Futures *settled on Friday at $3.75½/bu, up 4¾ cents on the day, and gaining 20 cents on the week.*

Oilseeds Complex

- **World Oilseed Supply & Demand Outlook**

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

Million Metric Tons

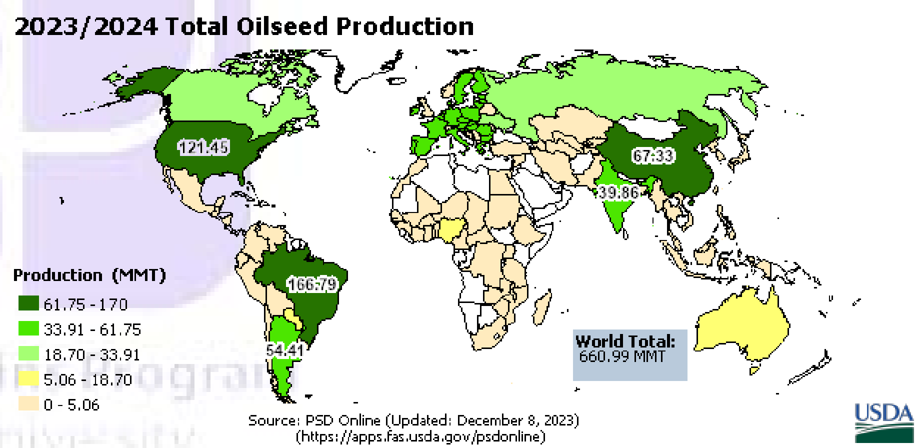
	2019/20	2020/21	2021/22	2022/23	Nov 2023/24	Dec 2023/24
Production						
Oilseed, Copra	5.92	5.78	6.07	6.03	6.05	6.05
Oilseed, Cottonseed	43.45	42.05	41.51	42.68	41.50	41.36
Oilseed, Palm Kernel	19.36	19.09	19.14	19.87	20.51	20.51
Oilseed, Peanut	47.73	50.42	51.89	49.36	50.41	50.41
Oilseed, Rapeseed	70.32	74.72	75.79	88.82	85.58	86.98
Oilseed, Soybean	341.45	369.22	360.43	374.39	400.42	398.88
Oilseed, Sunflowerseed	53.80	48.84	56.86	52.38	56.98	56.80
Total	582.03	610.12	611.68	633.52	661.46	660.99
Imports						
Oilseed, Copra	0.15	0.08	0.08	0.06	0.08	0.07
Oilseed, Cottonseed	0.81	0.84	1.02	1.38	1.19	1.19
Oilseed, Palm Kernel	0.14	0.14	0.14	0.16	0.15	0.15
Oilseed, Peanut	4.37	4.33	4.05	4.17	4.42	4.43
Oilseed, Rapeseed	15.82	16.66	13.84	20.06	15.76	15.96
Oilseed, Soybean	165.29	165.50	155.52	164.78	165.75	167.65
Oilseed, Sunflowerseed	3.34	2.74	3.80	3.99	2.91	2.91
Total	189.93	190.28	178.44	194.59	190.25	192.34
Exports						
Oilseed, Copra	0.28	0.10	0.12	0.11	0.13	0.15
Oilseed, Cottonseed	0.88	0.96	1.27	1.47	1.28	1.28
Oilseed, Palm Kernel	0.08	0.06	0.12	0.05	0.05	0.05
Oilseed, Peanut	5.01	5.06	4.42	4.66	4.84	4.85
Oilseed, Rapeseed	16.01	18.14	15.32	20.21	16.89	17.09
Oilseed, Soybean	165.82	165.18	154.25	171.12	168.29	170.29
Oilseed, Sunflowerseed	3.69	2.90	3.91	4.23	3.09	3.09
Total	191.77	192.40	179.42	201.84	194.57	196.80
Crush						
Oilseed, Copra	5.76	5.71	5.95	5.91	5.97	5.96
Oilseed, Cottonseed	33.28	32.55	32.15	32.58	32.85	32.74
Oilseed, Palm Kernel	19.40	19.08	18.92	19.88	20.44	20.44
Oilseed, Peanut	19.10	19.68	19.83	19.32	19.50	19.49
Oilseed, Rapeseed	69.03	71.91	72.20	81.03	81.58	81.98
Oilseed, Soybean	312.66	316.04	314.50	313.41	329.47	329.50
Oilseed, Sunflowerseed	49.40	44.96	46.69	51.29	52.38	52.37
Total	508.62	509.92	510.24	523.42	542.18	542.48
Ending Stocks						
Oilseed, Copra	0.05	0.05	0.06	0.05	0.04	0.04
Oilseed, Cottonseed	1.69	1.67	1.49	1.52	1.48	1.51
Oilseed, Palm Kernel	0.18	0.18	0.29	0.26	0.29	0.29
Oilseed, Peanut	4.70	5.05	5.09	4.52	4.37	4.37
Oilseed, Rapeseed	7.64	6.36	4.49	7.85	6.54	7.39
Oilseed, Soybean	95.15	100.26	98.00	101.92	114.51	114.21
Oilseed, Sunflowerseed	2.88	2.46	7.94	4.10	4.14	3.89
Total	112.29	116.02	117.36	120.22	131.38	131.69

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		611.68	727.70	179.42	510.24	117.36
	2022/23 (Est.)		633.52	750.88	201.84	523.42	120.22
	2023/24 (Proj.)	Nov	661.46	780.08	194.57	542.18	131.38
		Dec	660.99	781.21	196.80	542.48	131.69
Oilmeals	2021/22		349.58	369.85	96.30	346.99	20.55
	2022/23 (Est.)		356.43	376.98	96.61	355.58	17.73
	2023/24 (Proj.)	Nov	370.21	387.91	100.46	363.96	20.12
		Dec	370.41	388.14	100.73	364.20	20.03
Vegetable Oils	2021/22		207.83	236.60	79.56	202.46	29.13
	2022/23 (Est.)		217.21	246.34	88.15	210.94	30.89
	2023/24 (Proj.)	Nov	223.49	254.27	89.84	218.92	30.34
		Dec	223.60	254.49	89.82	218.75	30.70

8 December 2023 USDA WASDE – The USDA global oilseeds outlook for 2023/24 was projected at 661.0 mmts, down 0.5 million from last month. Lower soybean and sunflowerseed production are partly offset by higher rapeseed production.



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

The global oilseeds production forecast was lowered slightly this month to 661 mmts on large reductions in the Brazil soybean crop, more than offsetting higher Australia and Canada rapeseed crops.

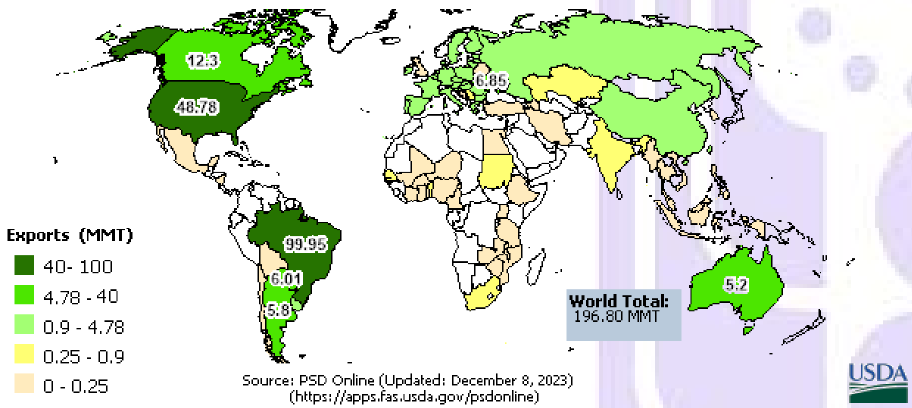
Soybean production is lowered 1.5 mmts mainly on lower production for Brazil, reduced 2.0 mmts to 161.0 million reflecting hot and dry conditions in southern Mato Grosso and northeast Brazil. Partly offsetting is higher soybean production for Canada and Russia.

Global rapeseed production is raised 1.4 mmts to 87.0 million on higher production for Canada and Australia guided by recent government reports.

Sunflowerseed production is reduced for Argentina on lower harvested area.

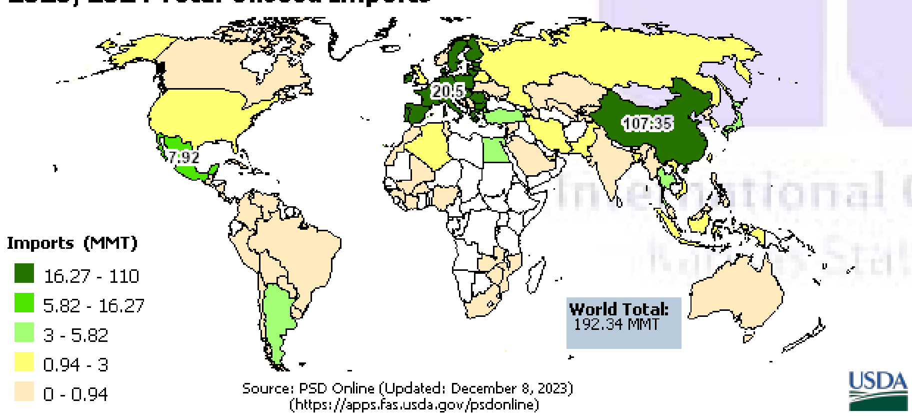
Oilseed crush is up slightly on higher rapeseed crush in Canada and Ukraine, with global meal production also raised.

2023/2024 Total Oilseed Exports



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

2023/2024 Total Oilseed Imports



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

Global oilseed trade is up 2 mmts on higher Brazil soybeans and rapeseed in Canada and Australia.

Vegetable oil trade is unchanged with larger rapeseed oil exports offset by reduced palm oil trade.

Global protein meal exports are increased slightly on higher Canada and Ukraine rapeseed meal exports.

Ending stocks are up slightly as higher rapeseed carryout outweighs reductions in soybean and sunflowerseed ending stocks.

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
European Union	Oilseed, Rapeseed	Imports	5,400	5,200	-200	Increased domestic supplies
	Oilseed, Sunflowerseed	Imports	800	500	-300	Shift to product exports from the Black Sea
India	Meal, Soybean	Exports	900	600	-300	Reduced crop prospects and lower crush
	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
Turkey	Oil, Sunflowerseed	Exports	975	1,125	150	Shift to product exports from the Black Sea, smaller domestic production
	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

- **<u>Oilseed Prices</u> (<u>FOB, US$/mt</u>) as of the 13th of December 2023**

		TW	LW	LY	%Y/Y
Soybeans					
Argentina, Up River	Dec	516	509	614	-16
Brazil (Paranagua)	Jan	503	494	581	-13
US 2Y, Gulf	Jan	515	504	595	-14
Soyameal					
Argentina (Up River)	Dec	477	495	538	-11
Soya oil					
Argentina (Up River)	Dec	897	921	1195	-25
Brazil (Paranagua)	Jan	932	931	1225	-24
Canola					
Australia, Kwinana (WA) a)	Jan	504	502	705	-28
Canada, Vancouver	Dec	528	531	690	-23
Sunflowerseed					
EU (France) (Bordeaux)	Dec	478	478	641	-25
Palm oil					
Indonesia	Dec	840	840	960	-13

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

Oilseed markets have been largely centered on worries about production prospects in Brazil, linked to disappointing recent rains and outlooks for drier than normal conditions, while a series of announcements by USDA of fresh sales to China and unknown destinations added to the positive tone. This more than offset pressure at times from weaker soya product and energy markets.

In the week ending the 30th of November, U.S. export sales totalled 1.5 mmts, taking cumulative 2023/24 (Sep/Aug) commitments to 32.4 mmts, albeit still representing a y/y decline of 16% y/y.

In USDA's December WASDE report, the US 2023/24 supply and demand balance sheet was left intact, with production and exports seen falling y/y as domestic demand advances to a new peak.

Highlighting worries about the impact of difficult weather in core areas, most notably in the leading producing state of Mato Grosso, official and private outlooks for production in Brazil have recently been scaled back. In its updated monthly report, Conab cut its forecast for 2023/24 output by 2.2 mmts, to 160.2 mmts (154.6 mmts prior year), with exports also pegged down from previously, at 101.6 mmts (100.0 mmts).

ANEC, the grain exporters' association, trimmed its figure for December shipments by 0.1 mmts, to 3.5 mmts, still more than doubling on the same month of last year.

Separately, with expanding biodiesel production seen absorbing record amounts of soya oil, seen at 9.1 mmts (8.4 mmts), the official projection for exports was cut by 0.3 mmts, to 1.6 mmts (2.6 mmts).

In Argentina, the Buenos Aires Grain Exchange estimated 2023/24 soybean sowings to be 52% complete by the 6th of December (37% year ago), with good establishment noted for early-planted crops in most provinces.

ICE canola futures (nearby position) in Canada were near-unchanged in tight, range-bound activity, largely influenced by movements in other markets for oilseeds and products.

- **<u>EU 2023/24 soybean imports stable by Dec 3, rapeseed down 25%</u>**

5 December 2023 Reuters - European Union soybean imports so far in the 2023/24 season that started in July had reached 4.66 mmts by December 3rd, almost unchanged compared with 4.68 million a year earlier, data published by the European Commission showed on Tuesday. However, the Commission said import data for Italy was missing since November 17th.

EU rapeseed imports in the same period totaled 2.34 mmts, down 25% from 3.11 million a year earlier.

Soymeal imports totaled 6.30 mmts, 12% less than 7.12 million a year ago , while palm oil imports stood at 1.48 mmts, down 10% versus 1.64 million a year earlier.

Soybeans

➢ USDA – World Soybean

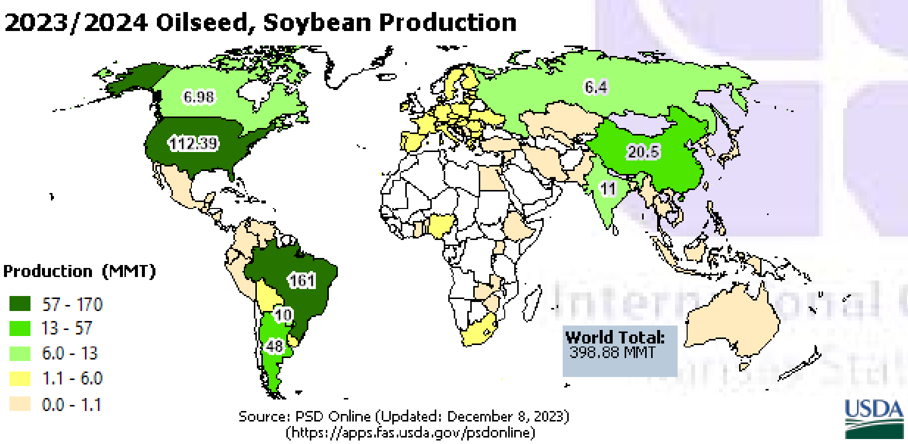
Oilseed, Soybean World as of December 2023							
Attribute	23/24 Dec'23	Change	23/24 Nov'23	22/23	21/22	20/21	19/20
Area Harvested (1000 HA)	139,100	+51(+.04%)	139,049	136,430	131,453	129,733	123,574
Beginning Stocks (1000 MT)	101,924	+1613(+1.61%)	100,311	97,998	100,263	95,147	114,185
Production (1000 MT)	398,882	-1541(-.38%)	400,423	374,392	360,434	369,222	341,453
MY Imports (1000 MT)	167,648	+1900(+1.15%)	165,748	164,781	155,517	165,495	165,294
Total Supply (1000 MT)	668,454	+1972(+.3%)	666,482	637,171	616,214	629,864	620,932
MY Exports (1000 MT)	170,291	+2000(+1.19%)	168,291	171,118	154,248	165,182	165,821
Crush (1000 MT)	329,496	+30(+.01%)	329,466	313,412	314,503	316,036	312,656
Food Use Dom. Cons. (1000 MT)	23,928	-	23,928	22,884	22,029	21,606	20,961
Feed Waste Dom. Cons. (1000 MT)	30,533	+250(+.83%)	30,283	27,833	27,436	26,777	26,347
Total Dom. Cons. (1000 MT)	383,957	+280(+.07%)	383,677	364,129	363,968	364,419	359,964
Ending Stocks (1000 MT)	114,206	-308(-.27%)	114,514	101,924	97,998	100,263	95,147
Total Distribution (1000 MT)	668,454	+1972(+.3%)	666,482	637,171	616,214	629,864	620,932
Yield (MT/HA)	2.87	(-.35%)	2.88	2.74	2.74	2.85	2.76

Source: USDA PS&D

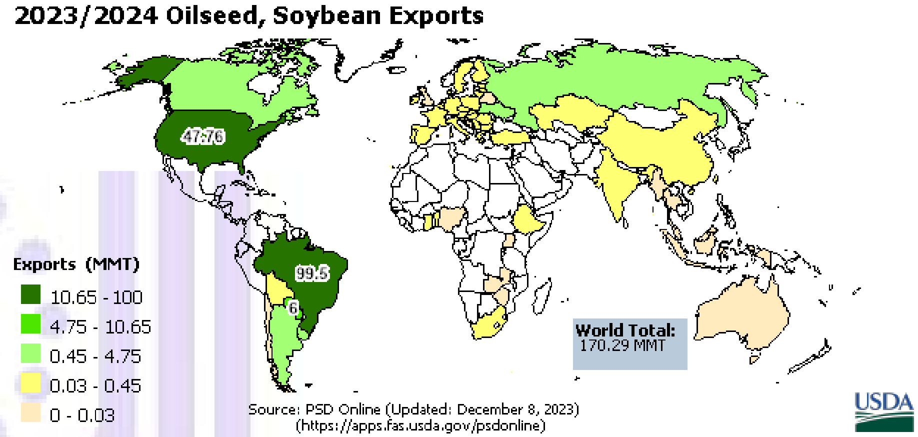
8 December 2023 USDA WASDE – The USDA global soybean outlook for 2023/24 includes higher beginning stocks, lower production, increased exports, and slightly lower ending stocks.

Beginning stocks are raised mainly on a 2.0 mts increase to 160.0 million for Brazil's 2022/23 production based on higher-than-expected use through November.

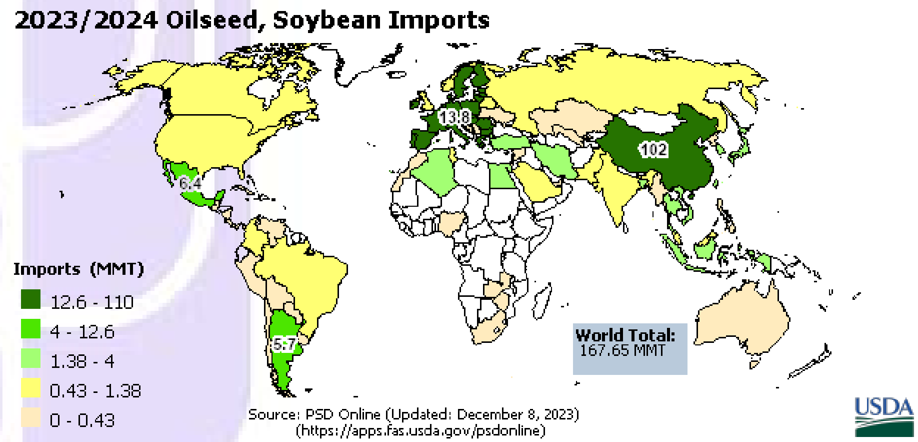
Increased supplies and early exports in the 2023/24 marketing year (starting October 2023) led to a 2.0-million-ton increase to Brazil's exports.



Source: USDA FAS https://ipad.fas.usda.gov/ogamaps/map.aspx?cmdty=Soybean&attribute=Exports



Source: USDA FAS https://ipad.fas.usda.gov/ogamaps/map.aspx?cmdty=Soybean&attribute=Exports



Source: USDA FAS https://ipad.fas.usda.gov/ogamaps/map.aspx?cmdty=Soybean&attribute=Exports

China's imports are also raised 2.0 mmts to 102.0 million on strong early season shipments by major exporters.

Global soybean ending stocks are reduced slightly as higher stocks for China are offset by lower stocks for Brazil.

➢ China's weekly soybean crush level drops to 1.87 mln mt: CNGOIC

13 December 2023 - China's soybean crush level dropped by 150,000 mt from the previous week to 1.87 mmts last week on a lack of soybeans at some crushers in North China, while the current level is an increase of 170,000 mt from a month ago and a decline of 110,000 mt from a year ago, data from the China National Grain and Oil Information Centre (CNGOIC) showed.

The crush level this week is expected to come back to around 2 mmts.

Soybean stocks meanwhile kept climbing last week to 5.46 mmts, an increase of 420,000 mt and 910,000 mt compared with a week and a month ago, respectively.

The level was also an increase of 990,000 mmts from a year ago, according to CNGOIC.

The continued growth in soybean stocks is mainly because of rising imported soybean arrivals in China, which should push up the stocks further going forward, said CNGOIC.

For soymeal, stocks also grew as downstream pick-up remains lukewarm.

Soymeal stocks grew by 10,000 mt from the previous week to 830,000 mt last week, which was also 90,000 mt more than a month ago and 520,000 mt more than a year ago.

The stocks for soymeal are expected to rise further going forward as soybeans start arriving while utilization rates of crushers remain high.

Soyoil stocks meanwhile also rose, as the downstream pick up of this product was also sluggish.

As of December 8, soyoil stocks stood at 930,000 mt, an increase of 10,000 mt from the previous week, while the level being 90,000 mt and 280,000 mt more than a month and a year ago.

➢ USDA – Brazil Soybeans

Oilseed, Soybean Brazil as of December 2023							
Attribute	23/24 Dec'23	Change	23/24 Nov'23	22/23	21/22	20/21	19/20
Area Harvested (1000 HA)	45,600	-	45,600	44,300	41,600	39,500	36,900
Beginning Stocks (1000 MT)	35,351	+1909(+5.71%)	33,442	27,598	29,579	20,419	33,342
Production (1000 MT)	161,000	-2000(-1.23%)	163,000	160,000	130,500	139,500	128,500
MY Imports (1000 MT)	450	-	450	154	539	1,015	549
Total Supply (1000 MT)	196,801	-91(-.05%)	196,892	187,752	160,618	160,934	162,391
MY Exports (1000 MT)	99,500	+2000(+2.05%)	97,500	95,505	79,063	81,650	92,135
Crush (1000 MT)	55,750	-	55,750	53,096	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	56,896	53,957	49,705	49,837
Ending Stocks (1000 MT)	37,601	-2091(-5.27%)	39,692	35,351	27,598	29,579	20,419
Total Distribution (1000 MT)	196,801	-91(-.05%)	196,892	187,752	160,618	160,934	162,391
Yield (MT/HA)	3.53	(-1.12%)	3.57	3.61	3.14	3.53	3.48

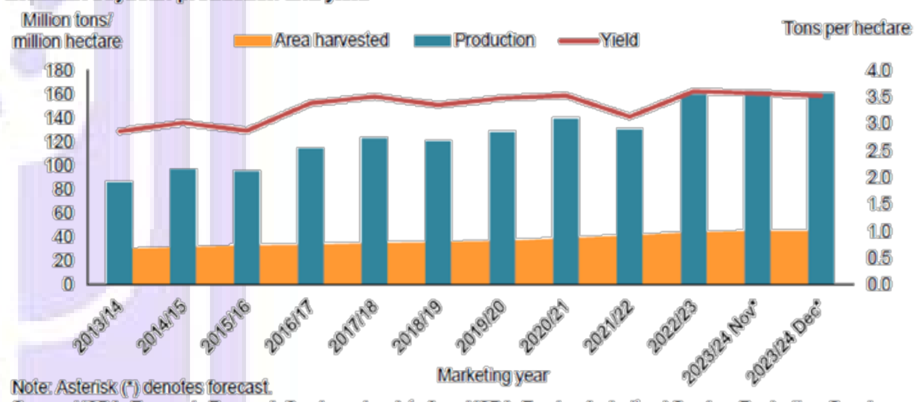
Source: USDA PS&D

➢ Brazil's 2023/24 Soybean Production Forecast Lowered

12 December 2023 ERS – Brazil's soybean production for MY 2023/24 is reduced by 2.0 mmts to 161.0 mmts, up 1.0 mmts from revised MY 2022/23. If realized, this would be a new record for Brazil's soybean crop. Soybean planting is underway in Brazil and CONAB (Companhia Nacional de Abastecimento) reported that, as of December 4, 83.1% of soybean acreage was seeded compared with 90.7% during the same period last year.

Planting began in mid-September but was delayed by an erratic start to the rainy season in southern Brazil and very dry weather in central and northern Brazil. Delayed planting in Goiás, Bahia, and Rio Grande do Sul coupled with long dry and hot periods in Mato Grosso limited yield prospects for MY 2023/24. On the other hand, abundant rainfall in southern Brazil has created a good start for the soybean crop. With lower yield prospects in center-west and northeastern States, yields are lowered 1% to 3.53 mts per hectare. Despite the late planting, area harvested remains unchanged at a record-high of 45.6 mha.

Brazilian soybean production and yield



Note: Asterisk (*) denotes forecast.
Source: USDA, Economic Research Service using data from USDA, Foreign Agricultural Service, *Production, Supply and Distribution* database, December 2023.

Brazil's soybean crop for MY 2022/23 is raised to 160.0 mmts, up 2.0 mmts from last month's forecast reflecting the robust export and crush this fall. The harvested acreage increased by 0.2 mha to 44.3 mha and yield is raised by 0.03 tons per hectare to 3.61 tons per hectare.

For the first 2 months (October and November) of MY 2023/24, Brazil's soybean exports totaled 10.8 mmts, 70% higher than a year earlier. China accounted for nearly 88% of the exports in this period. The strong shipments from Brazil prompted USDA to raise its export forecast for MY 2023/24 by 2 mmts to 99.5 mmts this month. Brazil's monthly soybean trade may wind down in December and January, but this could be a brief interlude before the brisk pace resumes with delivery of the new crop harvest. With stronger first quarter shipments to China from Brazil and the United States, China's soybean imports for MY 2023/24 are raised 2.0 mmts to 102.0 mmts. With unchanged domestic soybean consumption this month, China's soybean ending stocks are projected to increase to 35.7 mmts.

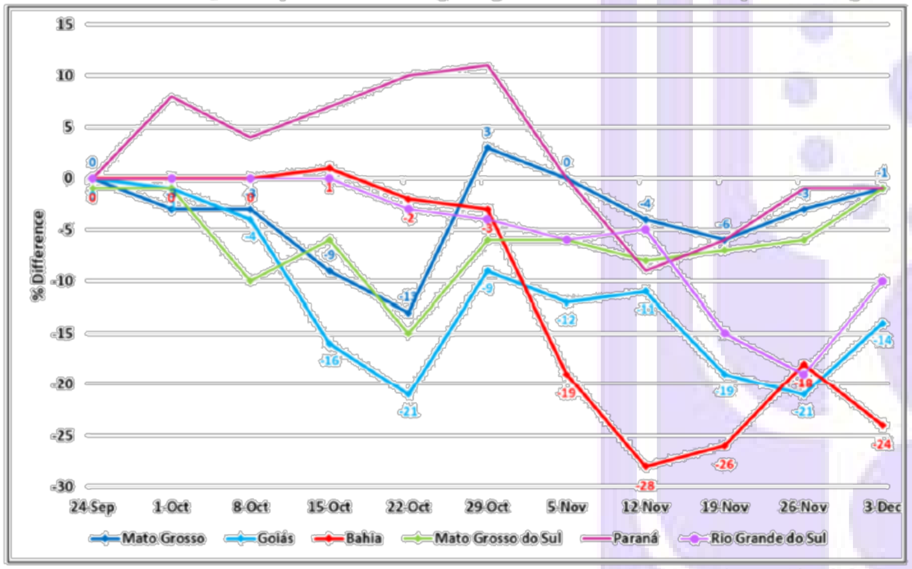
Citation: Bukowski, M., & Swearingen, B. (2023). Oil crops outlook: December 2023 (Report No. OCS-23l). U.S. Department of Agriculture, Economic Research Service.

➢ Brazil Soybeans: Production Down 1% on Lower Yield Prospects

8 December 2023 FAS – Brazil soybean production for marketing year (MY) 2023/24 remains at a record 161.0 mmts (mmts), lower by 2 mmts (1%) from last month, and larger by 1.0 mmts (1%) from last season's record crop.

For the MY 2022/23 crop, production was raised to 160.0 mmts based on use data to date.

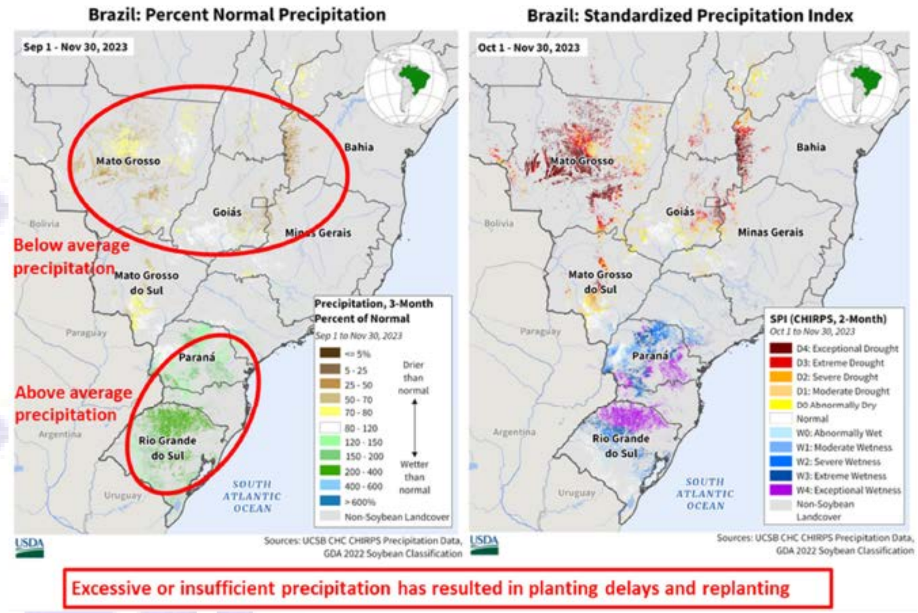
Brazil MY 2023/24 Soybeans: Planting Progress Difference from 5-year Average



Source: CONAB data

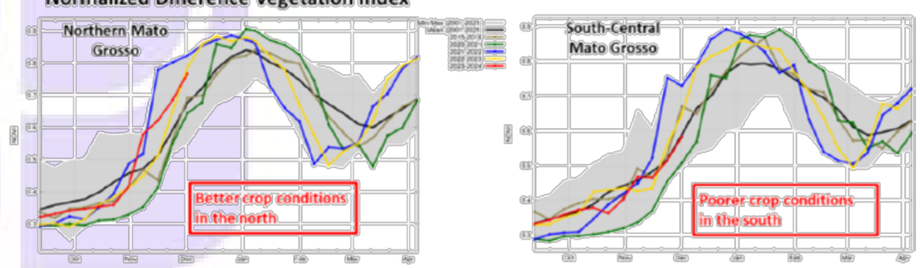
The harvested area for MY 2023/24 is estimated at a record 45.6 mha (mha), unchanged from last month, and up 1.3 mha (3%) from last year. Yield is estimated below the 10-year trend at 3.53 tons per hectare (t/ha), down 1% from last month, and down 2% from last year's record yield.

Brazil has contrasting weather conditions that have led to planting delays due to record rainfall in southern states and insufficient rainfall in the center-west and northeastern states. As of early December, sowing progress for Brazil soybeans is at 83%, compared to the 5-year average above 90%. Half of the six major soybean producing states (Goiás, Bahia, and Rio Grande do Sul) continue to show double digit sowing delays. The only state without a planting delay was Paraná. The southern state of Rio Grande do Sul (15% of total acreage) has experienced record heavy precipitation, with the wettest 3-month period, roughly 870 mm, from September to November. In contrast, the center-west and eastern states are suffering from a lack of regular rainfall combined with above average temperatures.



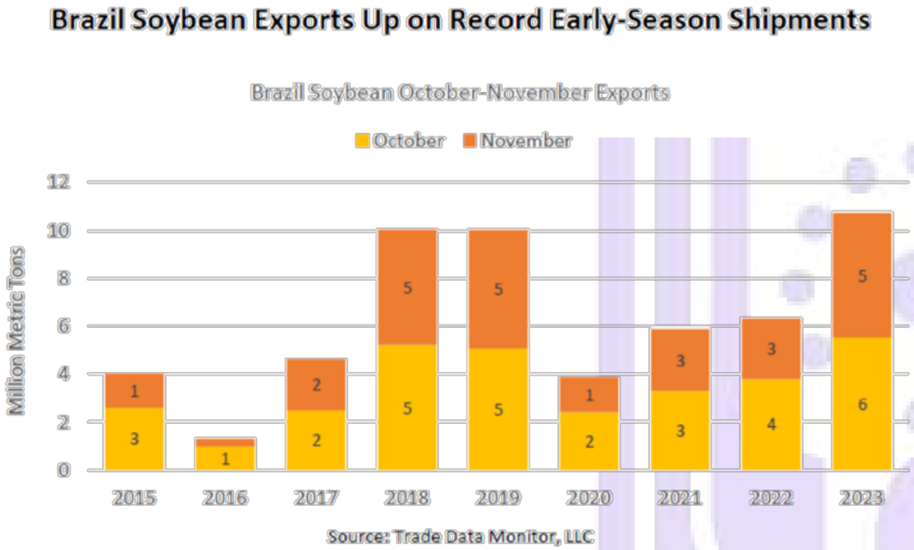
The 2-month Standardized Precipitation Index (SPI) reflects this reduced precipitation and extremely dry conditions in the center-west compared to the historical average early in the growing season.

Normalized Difference Vegetation Index



Crop vigor in northern Mato Grosso is faring better than in south-central Mato Grosso. Mato Grosso accounts for 27% of production. The planting delays in other parts of the country and reduced soil moisture are both contributing to crop vigor below that of last season. Because the crop progress is delayed, some of the crop could potentially recover, conditional on normal weather for the remainder of the season. (For more information, please contact Sunita.Yadav-Pauletti@usda.gov.)

Brazil Soybean Exports Up on Record Early-Season Shipments



8 December 2023 FAS – The Brazil 2023/24 (October-September) export forecast is boosted 2.0 mmts to 99.5 million and reflects a similar change in the local year forecast (2022/23 February-January). Both changes come on the heels of record October-November shipments, combined at 10.7 mmts. The record volumes reflect abundant carry-in supplies from the previous record soybean crop and continued competitive export prices. As a result, Brazil is cutting into the traditional U.S. export season. Facing stiff competition from Brazil, U.S. export commitments remain sparse, even with support from China purchases prior to the Asia-Pacific Economic Cooperation leaders' summit in November 2023.

Most recent Brazil shipments look similar to 2018 and 2019, which were also significantly above the historical averages for the first 2 months of the marketing year. The high volume shipped in 2018 came during a period when U.S. producers faced retaliatory tariffs from China and Argenti1na supplies were tight. Strong Brazil shipments in 2019 reflected abundant supplies and competitive pricing despite a rebound in U.S. sales to China and higher volumes being shipped from Argentina. Many factors are at play in late 2023, primarily abundant Brazil supplies coupled with the tail end of the severe drought in Argentina. As a result, U.S. exporters faced increased export competition, especially in China.

Following strong Brazil exports, China imports are raised by 2.0 mmts to a new record of 102.0 million. Based on major exporters' shipping data for September-November, China arrivals during1 the first quarter of 2023/24 could be 15% larger than last year.

USDA – Argentina Soybeans

Oilseed, Soybean Argentina as of December 2023							
Attribute	23/24 Dec'23	Change	23/24 Nov'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)	17,209	-	17,209	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	9,059	3,839	4,816	4,882
Total Supply (1000 MT)	70,909	-	70,909	57,962	72,799	77,666	82,572
MY Exports (1000 MT)	4,600	-	4,600	4,185	2,861	5,195	10,004
Crush (1000 MT)	34,500	-	34,500	30,318	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	36,568	46,035	47,411	45,918
Ending Stocks (1000 MT)	24,559	-	24,559	17,209	23,903	25,060	26,650
Total Distribution (1000 MT)	70,909	-	70,909	57,962	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

USDA – U.S. Soybeans

Oilseed, Soybean United States as of December 2023							
Attribute	23/24 Dec'23	Change	23/24 Nov'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	-	7,299	7,468	6,994	14,276	24,740
Production (1000 MT)	112,385	-	112,385	116,216	121,528	114,749	96,667
MY Imports (1000 MT)	816	-	816	667	433	539	419
Total Supply (1000 MT)	120,500	-	120,500	124,351	128,955	129,564	121,826
MY Exports (1000 MT)	47,763	-	47,763	54,208	58,571	61,664	45,800
Crush (1000 MT)	62,596	-	62,596	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)	3,460	-	3,460	2,645	2,936	2,649	2,840
Total Dom. Cons. (1000 MT)	66,056	-	66,056	62,844	62,916	60,906	61,750
Ending Stocks (1000 MT)	6,681	-	6,681	7,299	7,468	6,994	14,276
Total Distribution (1000 MT)	120,500	-	120,500	124,351	128,955	129,564	121,826
Yield (MT/HA)	3.35	-	3.35	3.33	3.48	3.43	3.19

Source: USDA PS&D

12 December 2023 USDA WASDE – This month USDA U.S. oilseed production for 2023/24 was forecast at 121.5 mmts, down slightly due to a reduction for cottonseed. Soybean supply and use projections for 2023/24 are unchanged from last month.

The projected U.S. season-average farm price for soybeans is unchanged at $12.90/bu.

The soybean meal price forecast is increased $10.00 to $390.00 per short ton.

The soybean oil price is forecast at 57 cents per pound, down 4 cents.

US October soybean crush up 14% m-o-m, in line with estimates

1 December 2023 - The US soybean crush in October reached 5.47 mmts (201 million bushels), 14% higher than the 4.76 mmts (175 million bu) crushed in September and in line with market expectations, the US Department of Agriculture (USDA) said in a report on Friday.

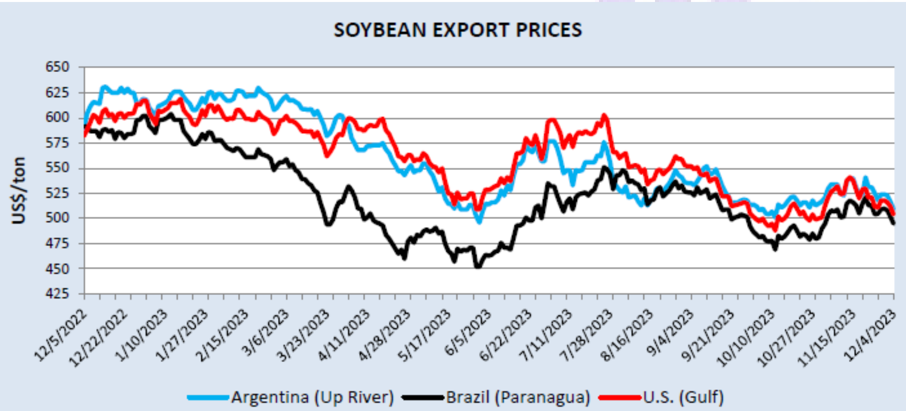
The number was also 2.43% higher than the 5.34 mmts of soybean crushed in October 2022.

The soybean crush figure resulted in 2.38 billion pounds of crude soyoil produced and 4.44 million short tons of soymeal, higher than September's 2.07 billion pounds and 3.84 mmts, respectively.

Soymeal stocks in October reached 291,071 tons, 11.1% lower than the previous month, and October 2022's stocks of 352,206 tons.

Crude soyoil stocks amounted to 1.08 billion pounds, 8.6% lower than last month and 34% below the 1.64 billion pounds registered at the same time last year..

World Soybean Prices



Soybean Meal Export Prices (U.S. dollars per metric ton)

	U.S.	Argentina	Brazil
November 9	$548	$538	$521
December 4	$500	$490	$477
Change	- $48	- $48	- $44

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

8 December 2023 FAS – Soybean and soybean meal export prices were down, while vegetable oil prices increased since the November WASDE. Recently, price volatility has expanded in the soybean complex driven by weather concerns and crop prospects in South America, large China purchases of both Brazil and U.S. soybeans, and stronger-than-expected exports from other suppliers such as Paraguay, Canada, and Ukraine.

Global demand has been strong, but the abundance of supplies in Brazil pressured soybean and meal prices lower in recent weeks.

➢ **CME CBOT Soybeans Futures – Nearby Daily**

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

CME January 2024 Soybean Futures *settled on Friday at $13.15¾/bu, off 1¼ cents on the day, while gaining 11¾ cents on the week. Mar24 Soybeans closed at $13.31½, down ½ cent, while May24 Soybeans closed at $13.43, down 2¼ cents,*

USDA reported two large soybean sales this morning both for 23/24 delivery. China booked 134k MT and 447.5k MT were sold to unknown.

NOPA members reported a new average daily crush record of 6.3 mbu/day during the month of November. The 189.04 mbu crush was at the high end of estimates and was only 0.4% below the 189.77 mbu record set in October – on one less processing day. Soybean oil stocks ballooned 10.4% to 1.213 billion lbs, the trade average guess was to see 1.138b lbs.

Soybean planting in Argentina advanced 8% points for the week to 60% finished according to BAGE.

The soybean futures firmed off their lows and rallied back for a mixed close on the last trade day of the week. Jan was 11¾ cents off the low by the close for a net 1¾ cent gain on the day.

The new crop soy/corn ratio was 2.491 at the close on Friday, compared to 2.509 at the start of November.

Soymeal futures settled mixed on Friday with a $1.90/ton gain for Jan but a $1.20 loss in May. Jan remains a $12.60 premium to May meal.

Soybean Oil futures closed with 44 to 48 point gains on Friday. USDA showed the cash B100 price was $5.88/gal in IL this week, up by 41 cents.

Weekly Commitment of Traders data showed liquidation from soybean spec traders during the week that ended the 12th of December. There were more longs exited during the week for a net 5.8k contract weaker net long (on 10.3k fewer contracts of OI) to 30,849 contracts. Commercial soybean hedgers also lightened up exposure with 29.2k fewer soybean positions through the week. That left the commercial group 7k contracts less net short at 109k.

CFTC data showed managed money funds closed 23k longs in soymeal during the week, reducing their net long to 92,720 contracts. Spec traders were shown 22.6k contracts net short in bean oil after closing 4k longs.

The reduced commercial short, (as a result of light farmer selling), along with the big week of export sales combined to strengthen F/H spread to -15¾ cents.

IWDS basis remains 11 cents below delivery in zone 3 for January 1st and 3 cents below for LH Jan. Many of the recent export sales have been for Jan/Mar which creates an interesting play for January deliveries.

The January Board Crush bounced 7 cent to $1.265, but still was off 19 cents for the week.

NOPA members reported a new average daily crush record of 6.3 mbus/day during the month of November. The 189.04 mbus crush was at the high end of estimates and was only 0.4% below the 189.77 mbus record set in October – on one less processing day. Soybean oil stocks ballooned 10.4% to 1.213 billion lbs, the trade average guess was to see 1.138b lbs.

NOPA crush at 189 mbus was +3 vs trade estimates, but did set a new daily high crush rate at 6.3 mbus/day. The Nov crush was a full 10 mbus over LY.

SBO stocks at 1.214 +76 vs trade est. Oil stocks increased 10.4% over LM's multi-year low, but was -26% LY. Oil yield at 11.83 vs 11.63 LY.

Spiritwood Crush plant is still not running well with no truck deliveries again next week.

- **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.

US CIF NOLA SOYBEANS	12/14/2023	12/15/2023	
DEC	/ 58	40 /	F
LH DEC	/ 64	/	F
JAN	60 / 70	66 / 75	F
LH JAN	73 / 76	/ 73	F
FH FEB	60 /	63 /	H
FEB	60 /	61 /	H
MAR	63 / 70	64 / 70	H

BRAZIL FOB SOYBEANS @ PORT PARANAGUA

	12/14/2023	12/15/2023		
FEB	-25 / -10	-25 / -10	H	UNC
MAR	-60 / -50	-55 / -50	H	
APR	-70 / -50	-67 / -60	K	
MAY	-55 / -40	-60 / -50	K	
JUN	-55 / -30	-45 / -30	N	
JUL	-45 / -37	-35 / -30	N	

A rather anticipated BIG flash of export sales to start Friday morning, 4.9 mbus to China and 16.4 mbus to Unknown. That made this week's total flash sales of 46 mbus. It is estimated now that China "needs to buy" 75 mbus to meet USDA expectations.

Argentina has suspended export registrations for grain and oilseeds in order to stop the selling spree which saw 1.7 mmts in corn export licenses along on Monday. With the peso devalued, the government's export tax revenue would increase considerably when licenses are re-instated.

This week Argentina is offering soybeans for Jan/Feb at levels competitive with the PNW. Remember Sino Grain that has been buying US soybeans at a premium to Brazil as they will not store Brazil soybeans; but, Sino will buy Argentine soybeans for storage, if they are competitive.

With the reinstatement of export permits, Argentina offers have surfaced for J/F that are competitive vs US and Brazil, but are cheaper for Feb forward.

Sino grain was the big US buyer this week and no way to tell how deep their buying may be.

JCI reports China's weekly soybean crush declined 130 kmts to slightly less than 2 mmts. Crush has been averaging close to 2.1 MMT per week of late. However, negative hog margins and a declining pig inventory could result in the December crush dropping below December 2022's record 9.2 mmts total.

Canola / Rapeseed

➢ World Rapeseed Supply & Demand Outlook

Oilseed, Rapeseed World as of December 2023							
Attribute	23/24 Dec'23	Change	23/24 Nov'23	22/23	21/22	20/21	19/20
Area Harvested (1000 HA)	42,441	+55(+.13%)	42,386	41,895	38,458	35,332	35,146
Beginning Stocks (1000 MT)	7,847	+15(+.19%)	7,832	4,491	6,364	7,644	9,744
Production (1000 MT)	86,979	+1400(+1.64%)	85,579	88,815	75,786	74,716	70,323
MY Imports (1000 MT)	15,960	+200(+1.27%)	15,760	20,059	13,840	16,657	15,818
Total Supply (1000 MT)	110,786	+1615(+1.48%)	109,171	113,365	95,990	99,017	95,885
MY Exports (1000 MT)	17,093	+200(+1.18%)	16,893	20,205	15,319	18,138	16,012
Crush (1000 MT)	81,981	+400(+.49%)	81,581	81,027	72,202	71,913	69,029
Food Use Dom. Cons. (1000 MT)	745	-	745	720	665	665	265
Feed Waste Dom. Cons. (1000 MT)	3,580	+169(+4.95%)	3,411	3,566	3,313	1,937	2,935
Total Dom. Cons. (1000 MT)	86,306	+569(+.66%)	85,737	85,313	76,180	74,515	72,229
Ending Stocks (1000 MT)	7,387	+846(+12.93%)	6,541	7,847	4,491	6,364	7,644
Total Distribution (1000 MT)	110,786	+1615(+1.48%)	109,171	113,365	95,990	99,017	95,885
Yield (MT/HA)	2.05	+(+1.49%)	2.02	2.12	1.97	2.11	2

Source: USDA PS&D

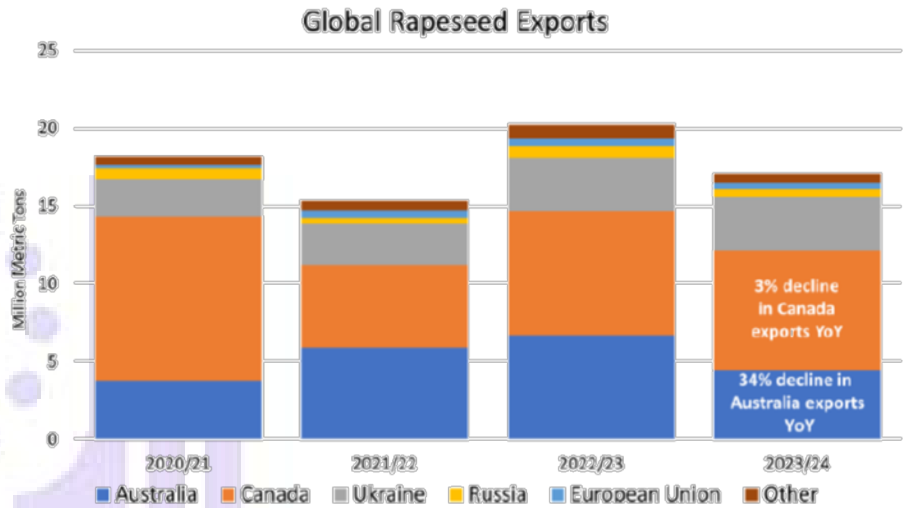
➢ Global Rapeseed Production Boosted On Higher Yields

12 December 2023 ERS – The MY 2023/24 global rapeseed production forecast is raised this month by 1.4 mmts to 87.0 mmts on larger crops in Canada and Australia. Guided by the recent report from Statistics Canada, Canada's rapeseed production is increased by 1.0 mmts to 18.8 mmts on higher yield and harvested acreage. Yield increased 5% to 2.12 mts per hectare while harvested acreage is 0.6% higher this month and estimated at 8.9 mha. With higher domestic supplies, Canada's crush, feed and residual use, and exports are revised higher. Crush is revised to 10.3 mmts, boosting available oil and meal supplies. The additional oil and meal supplies resulted in larger export forecasts and slightly larger domestic use. With increased exports coming from Canada, the United States rapeseed oil import forecast is up 45,000 mts to 3.0 mmts.

Rapeseed production in Australia is forecast up 0.4 mmts to 5.5 mmts on higher yields, but production remains well below last year's record high. This allows for additional exports—especially to the European Union (EU)—and boosts ending stocks in Australia. The EU's rapeseed imports are revised up 0.2 mmts to 5.3 mmts.

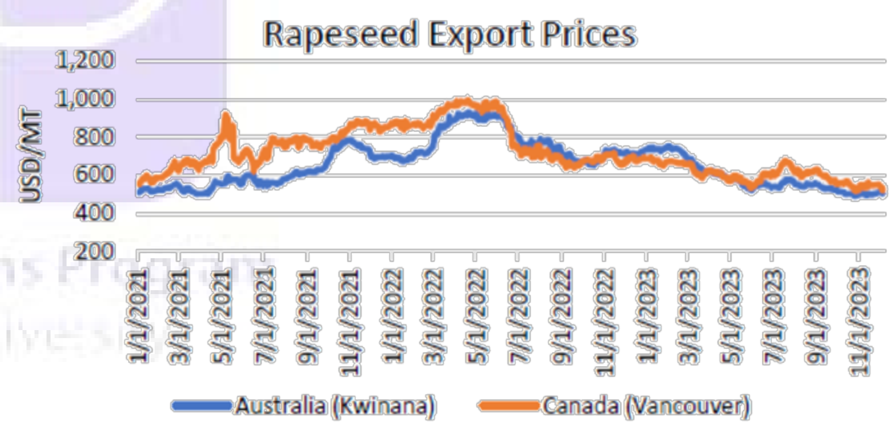
Citation: Bukowski, M., & Swearingen, B. (2023). Oil crops outlook: December 2023 (Report No. OCS-23l). U.S. Department of Agriculture, Economic Research Service.

➢ Rapeseed Exports Drop on Higher Crush, Lower Production in 2023/24



8 December 2023 USDA FAS - After reaching record levels in 2022/23, global rapeseed exports are forecast to slump almost 3.1 mmts in 2023/24 compared to last year's record of 20.2 mmts. This decline is largely due to reduced Australia production prospects.

Canada, the world's second largest producer and largest exporter of rapeseed, is expected to ship slightly less rapeseed in 2023/24 than the year prior despite higher forecast production. Increasing rapeseed oil exports to the United States has driven Canada crush higher in recent years, with a near record amount of crush expected in 2023/24.



Source: International Grains Council

Australia is coming off of a record year for rapeseed production and exports in 2022/23, with a steep decline of 2.3 mmts expected in 2023/24. The high prices from the disastrous 2021/22 Canadian crop spurred production expansion in Australia in 2022/23. With a rebound in Canada in both 2022/23 and 2023/24 and global rapeseed prices falling, farmers in Australia lost incentive to continue rapeseed area expansion.

Conversely, rapeseed prices in Ukraine present a more favorable option to farmers, leading to a record crop expected in 2023/24. However, expected increased crush of rapeseed in Ukraine compared to last year will result in exports remaining at similar levels to 2022/23, mitigating impacts on other exporters.

➢ Canadian Canola / Rapeseed Supply & Demand Outlook

Oilseed, Rapeseed Canada as of December 2023							
Attribute	23/24 Dec'23	Change	23/24 Nov'23	22/23	21/22	20/21	19/20
Area Harvested (1000 HA)	8,855	+55(+.63%)	8,800	8,596	8,946	8,325	8,471
Beginning Stocks (1000 MT)	1,506	-	1,506	1,325	1,776	3,457	4,435
Production (1000 MT)	18,800	+1000(+5.62%)	17,800	18,695	14,248	19,485	19,912
MY Imports (1000 MT)	100	-	100	151	105	125	155
Total Supply (1000 MT)	20,406	+1000(+5.15%)	19,406	20,171	16,129	23,067	24,502
MY Exports (1000 MT)	7,700	+200(+2.67%)	7,500	7,954	5,253	10,589	10,041
Crush (1000 MT)	10,300	+200(+1.98%)	10,100	9,961	8,555	10,425	10,129
Food Use Dom. Cons. (1000 MT)	0	-	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	750	+144(+23.76%)	606	750	996	277	875
Total Dom. Cons. (1000 MT)	11,050	+344(+3.21%)	10,706	10,711	9,551	10,702	11,004
Ending Stocks (1000 MT)	1,656	+456(+38%)	1,200	1,506	1,325	1,776	3,457
Total Distribution (1000 MT)	20,406	+1000(+5.15%)	19,406	20,171	16,129	23,067	24,502
Yield (MT/HA)	2.12	+(+4.95%)	2.02	2.17	1.59	2.34	2.35

Source: USDA PS&D

➢ ICE Canadian Canola Futures – Daily Nearby

Source: https://www.barchart.com/futures/quotes/RSX22/interactive-chart
Prices in Canadian dollars per metric mt

***ICE January 2024 Canola Futures** settled on Friday at C$658.90/mt, off C$5.00 on the day, and down C$8.10 for the week; dropping to a six-month low. Other closes were; Mar24 at C$652.50, -11.40, May24 at C$661.60, -10.20, and Jul24 at C$667.60, -9.90.*

ICE Canola Futures canola market was weaker at midday Friday, continuing its downward slide as bearish technical signals and losses in outside markets weighed on values. The futures hit new six-month lows, as chart-based speculative selling built on itself.

Spillover from declines in Chicago soyoil contributed to the weakness, although both European rapeseed and Malaysian palm oil futures held closer to unchanged.

The Canadian dollar continued to strengthen relative to its United States counterpart, hitting its highest level since August. A stronger currency cuts into crush margins while making exports less attractive to international buyers.

SUNFLOWERS

➢ World Sunflower Seed Supply & Demand Outlook

Oilseed, Sunflowerseed World as of December 2023							
Attribute	23/24 Dec'23	Change	23/24 Nov'23	22/23	21/22	20/21	19/20
Area Harvested (1000 HA)	28,379	-94(-.33%)	28,473	28,011	28,546	26,748	25,790
Beginning Stocks (1000 MT)	4,099	-73(-1.75%)	4,172	7,944	2,459	2,880	2,777
Production (1000 MT)	56,800	-183(-.32%)	56,983	52,377	56,858	48,835	53,799
MY Imports (1000 MT)	2,906	-	2,906	3,991	3,795	2,735	3,343
Total Supply (1000 MT)	63,805	-256(-.4%)	64,061	64,312	63,112	54,450	59,919
MY Exports (1000 MT)	3,094	-	3,094	4,234	3,912	2,900	3,687
Crush (1000 MT)	52,374	-5(-.01%)	52,379	51,286	46,688	44,957	49,397
Food Use Dom. Cons. (1000 MT)	2,108	-	2,108	2,125	2,079	2,084	2,088
Feed Waste Dom. Cons. (1000 MT)	2,344	+5(+.21%)	2,339	2,568	2,489	2,050	1,867
Total Dom. Cons. (1000 MT)	56,826	-	56,826	55,979	51,256	49,091	53,352
Ending Stocks (1000 MT)	3,885	-256(-6.18%)	4,141	4,099	7,944	2,459	2,880
Total Distribution (1000 MT)	63,805	-256(-.4%)	64,061	64,312	63,112	54,450	59,919
Yield (MT/HA)	2	-	2	1.87	1.99	1.83	2.09

Source: USDA PS&D

➢ Ukraine is preparing to resume sunflower seed shipments to Bulgaria

15 December 2023 Solskyy - Ukrainian exporters of sunflower seeds are in the process of preparing the necessary documentation to apply for licenses for the shipment of oilseeds to Bulgaria. This was stated by the Minister of Agrarian Policy and Food of Ukraine Mykola Solskyy during another online meeting with the Minister of Agriculture and Food of Bulgaria Kyryll Vatev, the press service of the Ministry of Agrarian Policy reported on December 14th.

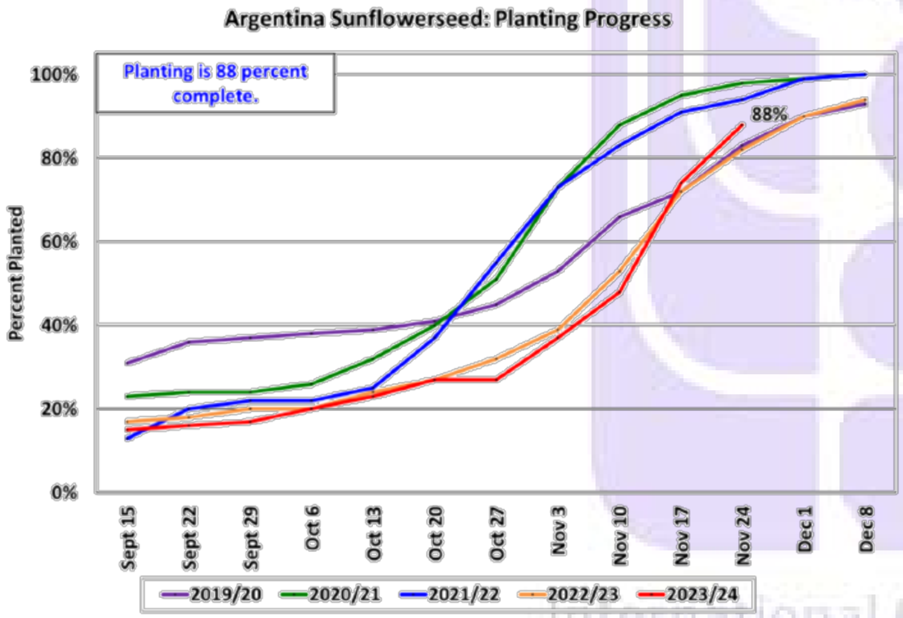
"After the approval of the applications with the Bulgarian side, Ukrainian entrepreneurs will receive the appropriate license to export sunflower seeds. At the same time, it is important to comply with the licensing regime for the export of certain types of agricultural products to Bulgaria," M. Solskyy emphasized.

In addition, the ministers discussed the export of rapeseed, wheat, corn, as well as berries, honey and sugar to Bulgaria. "M. Solskyy and K. Vatev agreed on meticulous tracking and control of the movement of agricultural products to Bulgaria," the message summarizes.

Argentina Sunflowerseed Planting Almost Complete, Area Down

8 December 2023 FAS - Argentina sunflowerseed production for marketing year 2023/24 is forecast at 4.5 mmts, down 4% from last month, and down 10% from last year.

Sunflowerseed yield is forecast at 2.05 t/ha, essentially unchanged from last month, and matching last year's yield. Harvested area is forecast at 2.2 mha, down 4% from last month, and down 10% from last year.



Sunflowerseed is mainly grown in Buenos Aires (53% of production), Chaco (17%) and Santa Fe (13%). According to the Argentina Ministry of Agriculture (MinAg), planting for sunflowerseed was 88% complete at the end of November. The planted area forecast from MinAg was revised down month-to-month. Yield for sunflowerseed in Argentina is relatively stable and has hovered around 2.0 t/ha every year since 2015.

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

Strategie lifts EU rapeseed estimate, cuts sunflower and soybeans

4 December 2023 - Strategie Grains issued a slight increase to its estimate of this year's rapeseed harvest in the European Union, citing better yields than previously expected in Denmark and to a lesser extent in western Europe.

In an oilseed report, the consultancy increased its rapeseed harvest estimate to 19.76 mmts from 19.74 mmts a month ago, now 1.6% above last year's level. This was the third upward revision in a row.

In contrast, Strategie Grains made a slight cut to its estimate of this year's sunflowerseed harvest in the European Union, to 10.05 mmts from 10.10 mmts previously, citing lower expectations in Romania. It remained more than 7% higher than last year.

Its soybean crop estimate was also cut. The crop is now projected to total 2.83 mmts - down from a previous estimate of 2.99 mmts but still nearly 13% above last year's harvest - to take account of a decrease in official data for Romania, Italy, Hungary and France.

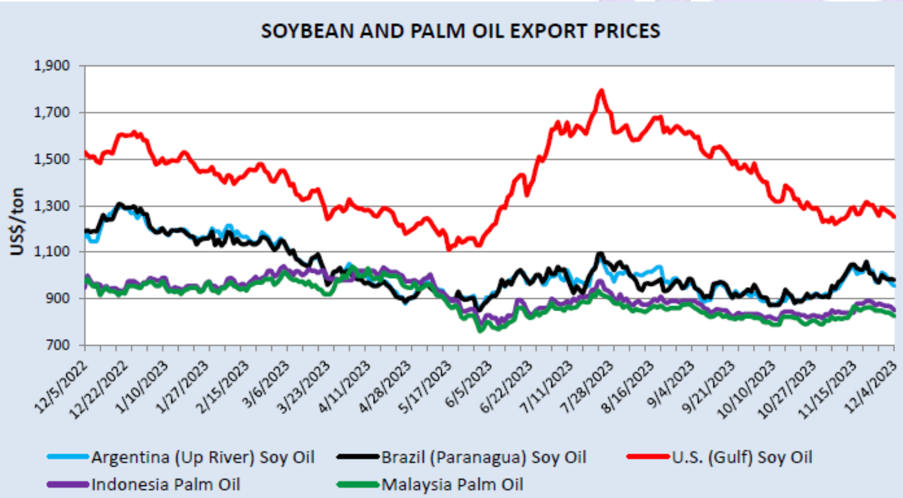
Vegetable Oils

➢ World Soybean Oil Supply & Demand Outlook

Oil, Soybean World as of December 2023							
Attribute	**23/24 Dec'23**	**Change**	**23/24 Nov'23**	**22/23**	**21/22**	**20/21**	**19/20**
Crush (1000 MT)	329,496	+30(+.01%)	329,466	313,412	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)	5,014	+143(+2.94%)	4,871	4,863	5,531	5,520	4,904
Production (1000 MT)	61,931	+3(+%)	61,928	59,027	59,271	59,314	58,551
MY Imports (1000 MT)	10,750	-40(-.37%)	10,790	10,653	11,537	11,794	11,543
Total Supply (1000 MT)	77,695	+106(+.14%)	77,589	74,543	76,339	76,628	74,998
MY Exports (1000 MT)	11,513	+10(+.09%)	11,503	11,421	12,252	12,611	12,384
Industrial Dom. Cons. (1000 MT)	13,756	-	13,756	12,444	11,876	11,224	11,193
Food Use Dom. Cons. (1000 MT)	46,965	-60(-.13%)	47,025	45,599	47,283	47,182	45,796
Feed Waste Dom. Cons. (1000 MT)	70	-	70	65	65	80	105
Total Dom. Cons. (1000 MT)	60,791	-60(-.1%)	60,851	58,108	59,224	58,486	57,094
Ending Stocks (1000 MT)	5,391	+156(+2.98%)	5,235	5,014	4,863	5,531	5,520
Total Distribution (1000 MT)	77,695	+106(+.14%)	77,589	74,543	76,339	76,628	74,998

Source: USDA PS&D

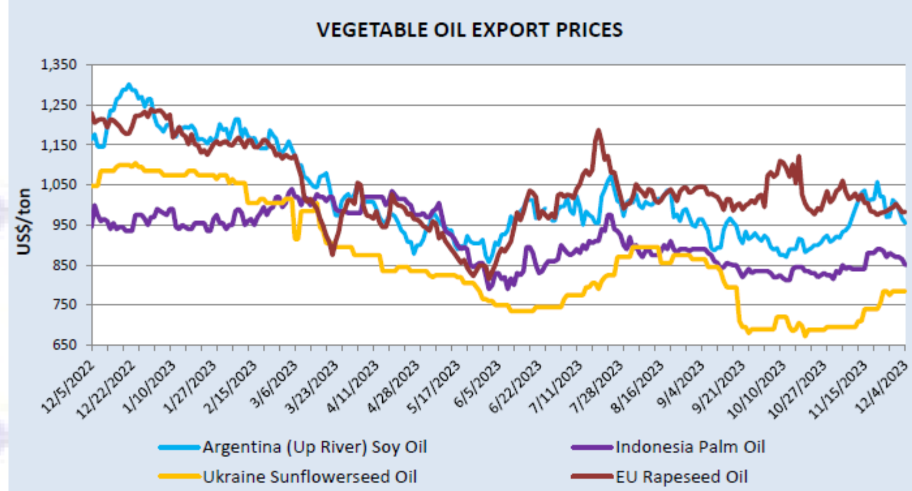
World Vegetable Oil Prices



Soybean and Palm Oil Export Prices (U.S. dollars per metric ton)

	U.S. Soybean Oil	Argentina Soybean Oil	Brazil Soybean Oil	Indonesia Palm Oil	Malaysia Palm Oil
November 9	$1,242	$969	$980	$840	$812
December 4	$1,251	$955	$980	$850	$825
Change	+$9	- $14	$0	+ $10	+ $13

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



8 December 2023 FAS – Vegetable oil prices traded largely flat over the past month. Soybean oil prices remain elevated on limited crush and soybean supplies in Argentina and drought concerns in Brazil.

In addition, soybean oil supplies are tight from other traditional suppliers such as the United States where domestic demand for soybean oil use in biofuels is high.

Palm oil prices were slightly higher on seasonal supply declines and continuing uncertainty due to El Niño conditions.

➢ USDA – Argentina Soybean Oil

Oil, Soybean Argentina as of December 2023							
Attribute	**23/24 Dec'23**	**Change**	**23/24 Nov'23**	**22/23**	**21/22**	**20/21**	**19/20**
Crush (1000 MT)	34,500	-	34,500	30,318	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)	327	-	327	523	299	548	427
Production (1000 MT)	6,814	-	6,814	5,991	7,664	7,930	7,700
MY Imports (1000 MT)	0	-	0	0	93	0	0
Total Supply (1000 MT)	7,141	-	7,141	6,514	8,056	8,478	8,127
MY Exports (1000 MT)	4,400	-	4,400	4,137	4,873	6,137	5,404
Industrial Dom. Cons. (1000 MT)	1,900	-	1,900	1,600	2,150	1,550	1,690
Food Use Dom. Cons. (1000 MT)	450	-	450	450	510	492	485
Feed Waste Dom. Cons. (1000 MT)	0	-	0	0	0	0	0
Total Dom. Cons. (1000 MT)	2,350	-	2,350	2,050	2,660	2,042	2,175
Ending Stocks (1000 MT)	391	-	391	327	523	299	548
Total Distribution (1000 MT)	7,141	-	7,141	6,514	8,056	8,478	8,127

Source: USDA PS&D

USDA – U.S. Soybean Oil

Oil, Soybean United States as of December 2023							
Attribute	23/24 Dec'23	Change	23/24 Nov'23	22/23	21/22	20/21	19/20
Crush (1000 MT)	62,596	-	62,596	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)	727	-	727	903	967	840	805
Production (1000 MT)	12,258	-	12,258	11,897	11,864	11,350	11,299
MY Imports (1000 MT)	181	-	181	170	137	137	145
Total Supply (1000 MT)	13,166	-	13,166	12,970	12,968	12,327	12,249
MY Exports (1000 MT)	159	-	159	171	803	786	1,287
Industrial Dom. Cons. (1000 MT)	5,806	-	5,806	5,666	4,708	4,046	3,927
Food Use Dom. Cons. (1000 MT)	6,486	-	6,486	6,406	6,554	6,528	6,195
Feed Waste Dom. Cons. (1000 MT)	0	-	0	0	0	0	0
Total Dom. Cons. (1000 MT)	12,292	-	12,292	12,072	11,262	10,574	10,122
Ending Stocks (1000 MT)	715	-	715	727	903	967	840
Total Distribution (1000 MT)	13,166	-	13,166	12,970	12,968	12,327	12,249

Source: USDA PS&D

Soybean Oil and Canola Oil Used for Biofuels Finalized for 2022/23

12 December 2023 USDA ERS – The U.S. Department of Energy's U.S. Energy Information Administration (EIA) published their monthly report of feedstocks consumed for production of biofuels in September, finalizing data for the MY 2022/23. This report suggests that over 30.0 billion pounds of vegetable oils, waste oils, fats, and greases were consumed for biofuel production.

Soybean oil accounted for the largest portion of feedstocks consumed at 41%. EIA reported that 1.2 billion of soybean oil was used for biofuels production in September. This brings the total soybean oil use for production of biofuels to 12.5 billion pounds, 2.1 billion pounds higher than MY 2021/22. The increase is mainly due to the boost in soybean oil as a feedstock used in renewable diesel production, which grew from 3.1 billion pounds in MY 2021/22 to 5.3 billion pounds in MY 2022/23. Furthermore, canola oil use for biofuel production reached a record-high level of 2.9 billion pounds, up 1.6 billion pounds from MY 2021/22 and it accounted for 10% of feedstocks.

The strong demand for canola oil use in biofuels was a result of U.S. Environmental Protection Agency (EPA)'s ruling in December 2022 that approved the canola oil pathway for renewable diesel.

The latest EIA report from November 30 indicated that the U.S. renewable capacity reached 3.70 billion gallons, up 1.49 billion gallons from September 2022, whereas biodiesel capacity is slightly down at 2.07 billion gallons. This growth in U.S. renewable diesel capacity is attributable to increasing the targets for State and Federal renewable fuel programs and the renewal of biomass-based diesel tax credits.

The soybean oil and canola oil forecasts for MY 2023/24 are unchanged this month.

Citation: Bukowski, M., & Swearingen, B. (2023). Oil crops outlook: December 2023 (Report No. OCS-23l). U.S. Department of Agriculture, Economic Research Service.

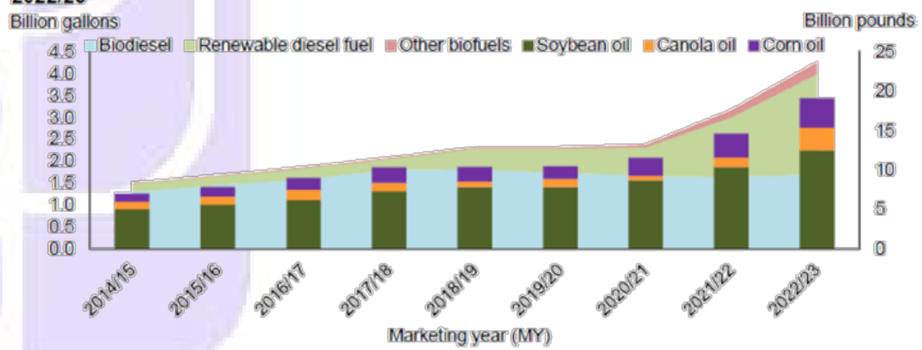
Special Article: U.S. Biofuel Policies Impact on Vegetable Oil Trade

12 December 2023 USDA ERS – **Summary** Strong demand for vegetable oils driven by the U.S. biofuel policy has created a wedge between U.S. prices and world prices, which has impacted global vegetable oil and processed oil trade volumes. U.S. vegetable oil exports in marketing year (MY) 2022/23 declined significantly while vegetable oil imports increased to a record high. This special article analyzes the structural change that the biofuels policy brought to the U.S. vegetable oil trade flows and its major trading partners in MY 2022/23.

Domestic Demand

Historically, domestic demand for vegetable oils as an ingredient for food, animal feed, and other industrial uses has increased steadily in tandem with U.S. population growth. More recently, State and Federal biofuel policies have encouraged the use of various biomass feedstocks in fuel production to reduce greenhouse gas emissions. Implementing these policies resulted in significantly increased demand for vegetable oils as feedstock for biofuel production—particularly for renewable diesel. In MY 2022/23 major vegetable oils use (e.g., soybean oil, canola oil, and corn oil) for biofuels production is estimated at 19.1 billion pounds, up nearly 4.5 billion pounds from MY 2021/22.

Biomass-based diesel production and vegetable oils use, MY 2014/15–2022/23

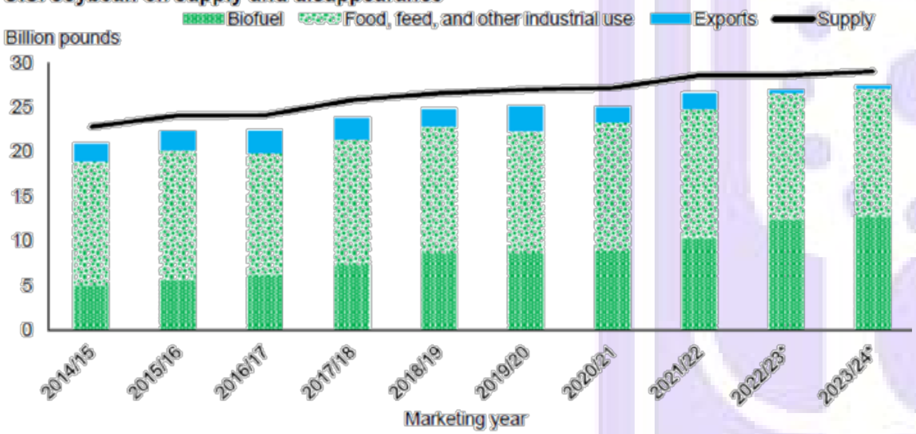


Note: Soybean oil, canola oil, and corn oil account for approximatly 64 percent of estimated total feedstocks used in biofuel production in MY 2022/23. Fats, poultry and animal feedstock categories are excluded.
Source: USDA, Economic Research Service using data from U.S. Department of Energy, U.S. Energy Information Administration, *Monthly Energy Review* and *Feedstocks consumed for production of biofuels*, November 2023.

Soybean oil mostly contributed to this increase with soybean oil use for biofuels surging from 10.4 billion pounds in MY 2021/22 to a record high of 12.5 billion pounds in MY 2022/23. Soybean oil used for renewable diesel, which climbed from 3.1 billion pounds in 2021/22 to 5.3 billion pounds in 2022/23, accounted for the rise in use and soybean oil used for biodiesel declined slightly. Furthermore, canola oil use for biofuels skyrocketed in MY 2022/23 to 2.9 billion pounds from 1.3 billion pounds in MY 2021/22. This significant increase was a result of the U.S. Environmental Protection Agency's (EPA) ruling in December 2022, which approved a pathway for canola oil to be used in renewable diesel. Before December 2022, canola oil was only approved for use in biodiesel. Corn oil use for biofuels in MY 2022/23 reached a record-high 3.7 billion pounds, with record-low corn oil exports at 281 million pounds and record-high corn oil imports of 180 million pounds.

Soybean oil use for biofuel production in MY 2022/23 accounted for 47% of domestic consumption. The use of soybean oil in the food, feed, and other industrial category declined 2% and totaled 14.1 billion pounds, whereas canola oil use in this category increased by 16% and reached 5.0 billion pounds.

U.S. soybean oil supply and disappearance



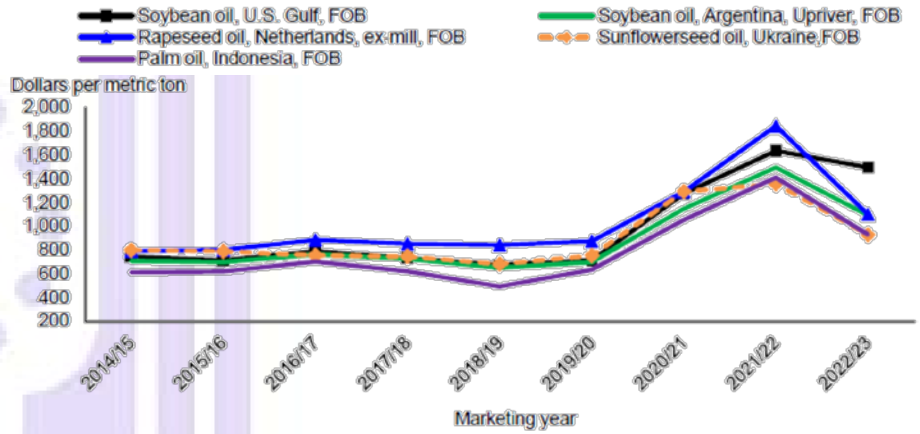
Note: Asterisk (*) denotes forecast.
Source: USDA, Economic Research Service using data from USDA, World Agricultural Outlook Board, *World Agricultural Supply and Demand Estimates.*

Despite the 4-billion-pound increase of soybean oil, canola oil, and corn oil use in biofuel in MY 2022/23, domestic production of those three oils only grew by 380 million pounds to 34.1 billion pounds. Most of the increased year-over-year use came from lower U.S. exports and higher imports of those vegetable oils.

Prices

U.S. vegetable oil prices skyrocketed to a record-high level in MY 2021/22, driven by both the domestic biofuels policy and by the tight global vegetable oils supply due to the war in Ukraine, drought conditions in Canada and Argentina, and Indonesia's restrictive palm oil export policies during that marketing year. In MY 2022/23, global vegetable oils prices declined on record-high palm oil production and record global sunflowerseed and rapeseed crush, while U.S. prices remained elevated above global prices. Soybean oil prices for the export market, U.S. Gulf freight-on-board (FOB) for MY 2022/23 averaged $1,495.00/mt, down $139.00/mt from MY 2021/22, but still above the prior 5-year average. This average U.S. price is more than $400.00/mt higher than Argentina, the largest U.S. competitor in the soybean oil export market. Despite Argentina's soybean oil supply being affected by historically low soybean crush (due to severe drought), the strong domestic demand for soybean oil kept the spread between U.S. and Argentina's soybean oil prices at the record-high level in MY 2022/23.

World vegetable oils prices, MY 2014/15–2022/23



MY = Marketing year. FOB = Free on board.
Source: USDA, Economic Research Service using data from International Grains Council .

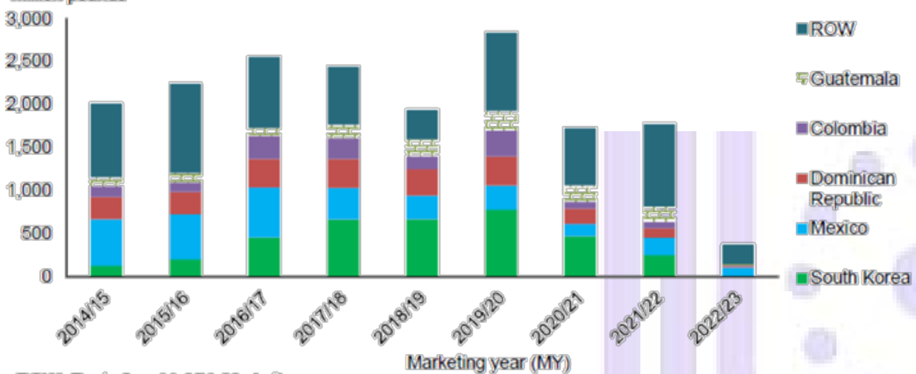
The U.S. soybean oil price was also higher than other global vegetable oils due to the larger supply of sunflowerseed oil and rapeseed oil as global sunflowerseed and rapeseed crush recovered—especially in the Black Sea region and Canada. Sunflowerseed oil and rapeseed oil prices in MY 2022/23 declined by 30% and 40%, respectively. Similarly, the price for palm oil, a globally dominant vegetable oil, declined by $481.00/mt in MY 2022/23 and FOB, Indonesia averaged $929.00/mt.

As a result, U.S. vegetable oils exports—especially soybean oil exports in MY 2022/23—declined to a historically low level. Soybean oil exports totaled 378 million pounds and marginally exceeded the soybean oil imports of 376 million pounds. For the first time, the United States almost became a net importer of soybean oil even though the United States, historically, was one of the major soybean oil exporters, contributing 8% to the global soybean oil trade for the past 5 years (i.e., MY 2017/18–2021/22).

U.S. Record-Low Soybean Oil Exports and Its Implication to Trading Partners

12 December 2023 USDA ERS – The U.S vegetable oil exports for MY 2022/23 totaled 0.455 mmts (i.e., 1.0 billion pounds), down 0.762 mmts (1.6 billion pounds) from MY 2021/22. Shipments of all major vegetable oils decreased, with soybean oil exports accounting for 83% of this decline. The United States lost share in the global soybean oil markets, which had implications on its major trading partners. Traditional buyers of U.S. soybean oil (i.e., South Korea, Mexico, the Dominican Republic, Colombia, and Guatemala) averaged more than 65% of the total U.S. soybean oil exports for the MY 2014/15–MY 2020/21 period.

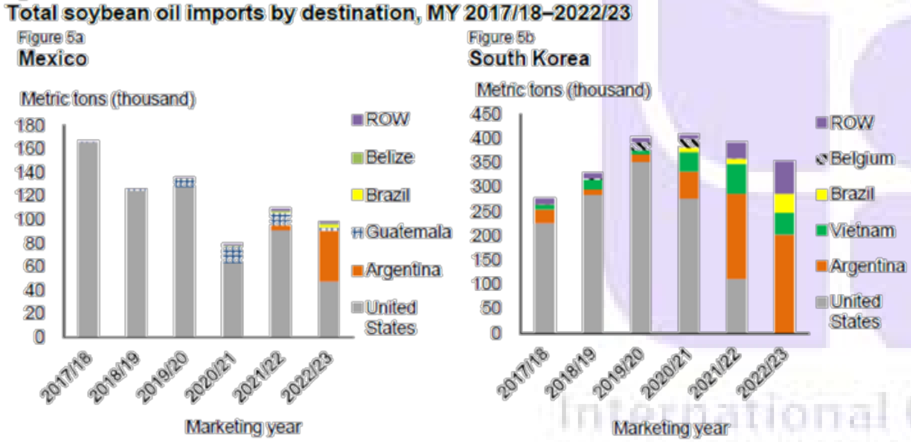
U.S. soybean oil export destinations, MY 2014/15–2022/23



ROW=Rest of world. MY=Marketing year.
Source: USDA, Economic Research Service using data from USDA,Foreign Agricultural Service, *Global Agriculture Trade System.*

Mexico and South Korea, two of the leading buyers of U.S. soybean oil, saw a decline in imports from the United States. Mexico declined by 48% from MY 2021/22 while South Korea imported only 265 mts in MY 2022/23, a decrease from more than 110,000 mts in MY 2021/22.

Total soybean oil imports by destination, MY 2017/18–2022/23

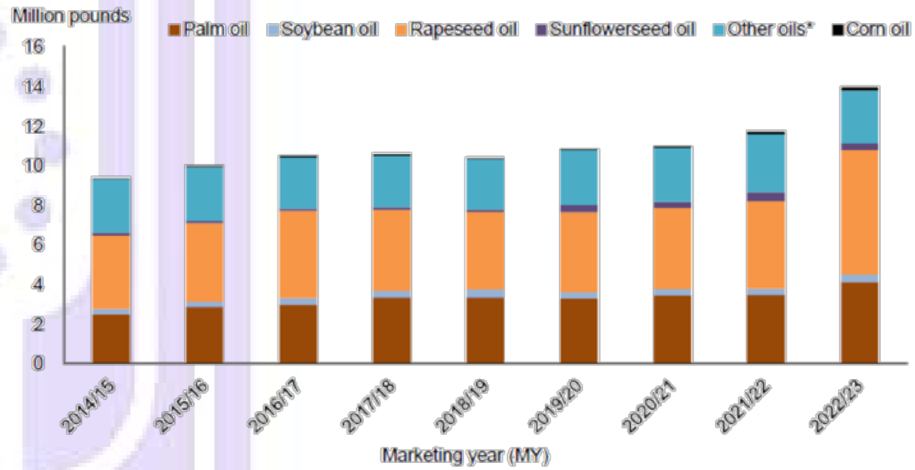


MY = Marketing year, ROW=Rest of world.
Source: USDA, Economic Research Service using data from Trade Data Monitor.

Although both countries imported additional soybean oil supplies from other countries (e.g., Argentina and Brazil), total soybean oil imports were lower in MY 2022/23. To offset soybean oil imports, Mexico imported higher volumes of soybeans and rapeseed, leading to increased crush and slightly higher vegetable oil consumption year-over-year. For South Korea, MY 2022/23 consumption was nearly unchanged from MY 2021/22, as higher palm oil and rapeseed oil imports offset the decline in soybean oil imports.

U.S. Vegetable Oils Imports

U.S. imports of vegetable oils, MY 2014/15–2022/23



*Other oils=Cottonseed oil, coconut oil, olive oil, palm kernel oil, and peanut oil. MY= Marketing year.
Source: USDA, Economic Research Service using data from USDA, Foreign Agricultural Service, Global Agricultural Trade System (GATS).

12 December 2023 USDA ERS – Despite the increase in domestic vegetable oils production and lower oil exports, the U.S. domestic market still required an additional supply of oils to meet the demand for feedstocks.

In MY 2022/23, vegetable oil imports increased and accounted for 29% of domestic vegetable oil consumption. Soybean oil imports marginally increased in MY 2022/23 as the expansion of soybean oil imports from major soybean oil exporters (e.g., Argentina and Brazil) are limited by a 19.1-percent import tariff.

As a result, canola oil, palm oil, and processed oil imports substantially increased in MY 2022/23 to help with domestic supply—especially for biofuel use.

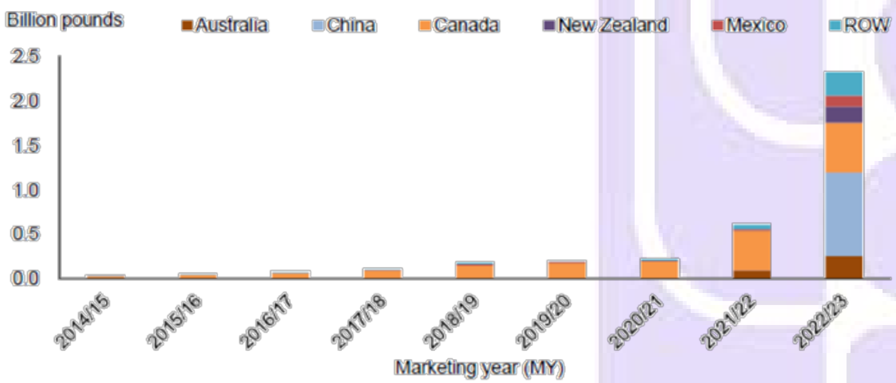
Although canola oil imports have a 6.4-percent tariff, the major supplier of canola oil is Canada, a key free trade partner. The canola oil imports have been on the rise since 2006 when the U.S. Food and Drug Administration (FDA) required food companies to disclose the amount of trans fat on the nutrition facts label as canola oil has very low trans-fat content. When combined with the EPA-approved pathway for renewable diesel use, canola oil imports increased by 42% to a record-high 6.3 billion pounds in MY 2022/23. In the last 5 years, the U.S. share of Canadian canola oil trade increased from 52% in MY 2018/19 to 88% in MY 2022/23, while China's share of Canadian oil trade declined from 31% to 4%.

U.S. palm oil imports for MY 2022/23 increased 19% and reached a record-high level of 4.5 billion pounds to compensate for other vegetable oils not being used in food and other industrial use. Refined palm oil imports from Indonesia accounted for nearly 87% of total palm oil imports in MY 2022/23. Corn oil imports in MY 2022/23 also reached a record of 180 million pounds, mainly sourced from Canada.

U.S. Imports of Animal and Vegetable Fats and Oils

The increased vegetable oil imports were still not enough to cover growing demand. This resulted in higher imports of processed oils, reported by U.S. Department of Commerce, Bureau of the Census under the Harmonized System (HS) code 1518004000, which are defined as animal and vegetable fats and oils and their fraction that have been boiled, oxidized, dehydrated, or otherwise chemically modified. These imports increased from 0.6 billion pounds in MY 2021/22 to 2.6 billion pounds in MY 2022/23 on higher use as feedstocks in domestic biofuels production. This HS code includes used cooking oil (UCO) and fats that have lower carbon intensity (CI) score compared with the other vegetable oils. California's Low Carbon Fuel Standard (LCFS) incentivizes the use of byproducts as feedstocks in biomass-based diesel fuels.

U.S. imports of processed oils by country, MY 2014/15–2022/23



ROW=Rest of world. MY=Marketing year.
Note: Harmonized System Code 1518004000 defined as animal and vegetable fats and oils and their fractions, boiled, oxidized, dehydrated, sulfurized, etc. or otherwise chemically modified excluding heading 1516.
Source: USDA, Economic Research Service using data from USDA, Foreign Agricultural Service, Global Agricultural Trade System (GATS).

In MY 2021/22, the U.S. Department of Commerce, Bureau of the Census' trade data indicated that 72% of processed oils originated from Canada, followed by Australia. In MY 2022/23, China emerged as a supplier of processed oils shipping over 0.9 billion pounds, which accounted for 40% of total U.S. processed oils imports. The average price for imported processed oils was $1,465.80/mt compared with the average soybean oil price of $1,495.00/mt.

2023/24 Vegetable Oil Balance Sheet Implications

This structural shift in the U.S. vegetable oils market is likely to continue to affect trade flows moving forward as biofuel use continues to grow. With lower exportable supplies, the United States' key trading partners are likely to continue to shift to other markets, decrease usage, or seek other oils to fill the gaps. The strong domestic demand for vegetable oils is also forecast to continue increasing imports of vegetable oils. This is projected to push the United States to be a net importer of soybean oil in MY 2023/24.

Citation: Bukowski, M., & Swearingen, B. (2023). Oil crops outlook: December 2023 (Report No. OCS-23l). U.S. Department of Agriculture, Economic Research Service.

➢ **CME Soybean Oil – Nearby Daily**

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

***CME January 2024 Soybean Oil Futures** settled on Friday at $50.15/cwt, up $0.44 on the day, but losing only two cents for the week.*

Soybean Oil futures closed with 44 to 48 point gains on Friday. USDA showed the cash B100 price was $5.88/gal in IL this week, up by 41 cents.

CFTC data showed spec traders were shown 22.6k contracts net short in bean oil after closing 4k longs.

NOPA members reported a new average daily crush record of 6.3 mbus/day during the month of November. The 189.04 mbus crush was at the high end of estimates and was only 0.4% below the 189.77 mbus record set in October – on one less processing day. Soybean oil stocks ballooned 10.4% to 1.213 billion lbs, the trade average guess was to see 1.138b lbs.

NOPA crush at 189 mbus was +3 vs trade estimates, but did set a new daily high crush rate at 6.3 mbus/day. The Nov crush was a full 10 mbus over LY.

SBO stocks at 1.214 +76 vs trade est. Oil stocks increased 10.4% over LM's multi-year low, but was -26% LY. Oil yield at 11.83 vs 11.63 LY.

Spiritwood Crush plant is still not running well with no truck deliveries again next week.

➢ USDA – World Palm Oil Supply & Demand Outlook

Oil, Palm World as of December 2023							
Attribute	23/24 Dec'23	Change	23/24 Nov'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)	17,010	-35(-.21%)	17,045	16,117	14,944	15,910	14,947
Production (1000 MT)	79,464	-	79,464	77,563	72,964	73,277	73,111
MY Imports (1000 MT)	48,401	-160(-.33%)	48,561	47,269	41,702	46,850	47,049
Total Supply (1000 MT)	144,875	-195(-.13%)	145,070	140,949	129,610	136,037	135,107
MY Exports (1000 MT)	50,553	-160(-.32%)	50,713	49,385	43,970	48,536	48,355
Industrial Dom. Cons. (1000 MT)	26,993	-150(-.55%)	27,143	25,725	22,899	23,509	23,104
Food Use Dom. Cons. (1000 MT)	50,428	-	50,428	48,106	45,965	48,348	47,033
Feed Waste Dom. Cons. (1000 MT)	712	-	712	723	659	700	705
Total Dom. Cons. (1000 MT)	78,133	-150(-.19%)	78,283	74,554	69,523	72,557	70,842
Ending Stocks (1000 MT)	16,189	+115(+.72%)	16,074	17,010	16,117	14,944	15,910
Total Distribution (1000 MT)	144,875	-195(-.13%)	145,070	140,949	129,610	136,037	135,107
Yield (MT/HA)	2.93	-	2.93	2.92	2.87	2.96	2.99

Source: USDA PS&D

➢ CME Palm Oil – Nearby Weekly

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

***CME January 2024 Palm Oil Futures** settled on Friday at $798.25/mt, off $0.50 on the day, and losing $8.00 cents for the week.*

Malaysian palm oil futures extended gains on Friday, with market participants worried about a likely decline in December output in top producing countries because of dry weather, and falling stocks.

The benchmark palm oil contract FCPOc3 for February delivery on the Bursa Malaysia Derivatives Exchange rose 10 ringgit, or 0.27%, to 3,698 ringgit ($792.71) by the midday break.

Malaysia's palm oil stocks at the end of November fell for the first time in seven months as production slumped more than exports, data from industry regulator showed on Tuesday.

Indonesia plans to set its crude palm oil (CPO) reference price at $767.51 per metric ton for the Dec. 16-31 period, a trade ministry official said on Thursday, down from $795.14 in the first half of the month.

Soyoil futures BOc2 on the Chicago Board of Trade were up 0.56%. Palm oil is affected by price movements in related oils as they compete for a share in the global vegetable oils market.

Palm oil's gains were capped by slowing exports from Malaysia, said a Mumbai-based trader. Exports of Malaysian palm oil products in the first half of the month fell 13.6% from a month earlier to 591,490 mts, cargo surveyor Intertek Testing Services said on Friday.

Oil prices rose in early Asian trade, on track for their first weekly rise in two months after benefiting from a bullish forecast from the International Energy Agency (IEA) on oil demand for next year and a weaker dollar.

($1 = 4.6650 ringgit)

➢ VEGOILS-Palm oil falls to four-week low on weak rival oils

6 December 2023 Reuters - Malaysian palm oil futures fell for a fourth session on Wednesday to their lowest closing in more than four weeks, weighed down by weakness in rival vegetable oils despite expectations of declining inventories by end of November.

The benchmark palm oil contract for February delivery on the Bursa Malaysia Derivatives Exchange lost 62 ringgit, or 1.64%, to 3,719 ringgit per metric ton at closing. The contract hit its lowest in more than five weeks at 3,675 ringgit earlier in the day before recovering.

"The relentless decline in South American soyoil forces palm oil to maintain its discount to attract fresh buying in time of winter when traditional destinations India, China and other Asian countries avoid palm oil due to the cold weather," said Anilkumar Bagani, commodity research head at Mumbai-based Sunvin group.

Dalian's most-active soyoil contract fell 1.60%, while its palm oil contract plunged 3.29%. Soyoil prices on the Chicago Board of Trade were down 0.24%.

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

The world's palm oil imports in 2023/24 are estimated at 48.6 mmts, down 0.4% from the last update and up 2.5% from the 2022/23 season, Refinitiv Commodities Research showed.

European Union palm oil imports so far in the 2023/24 season that started in July had reached 1.48 mmts by December 3rd versus 1.64 million a year earlier.

Malaysian palm oil inventories at the end of November were seen falling for the first month since April as a seasonal output decline was expected to start while exports continued to rise, a Reuters survey showed.

➢ Crucial 2024 likely for palm oil industry

13 December 2023 by Elim Poon, The Star - KUALA LUMPUR: The Council of Palm Oil Producing Countries (CPOPC) views 2024 to be a critical year for the palm oil industry, underpinned by the upcoming enforcement of the new European Union Deforestation-Free Regulation (EUDR) as well as other new legislations.

CPOPC deputy secretary general Datuk Nageeb Wahab said the main challenge confronting the palm oil industry remains to be on addressing the negative perceptions towards the commodity and the imminent implementation of a new legislation, namely the forced labour legislation, as an upcoming regulatory concern.

“The forced labour legislation is even more impactful to us because we have foreign workers in Malaysia. It also affects Indonesia which has workers who are migrating from one region to another,” he said during a media briefing on the challenges and opportunities of the palm oil industry in 2024.

Nageeb said the main challenge is on addressing the negative perceptions surrounding palm oil. “We remain deeply concerned, particularly as the EUDR has not yet been fully addressed and is still under the implementation procedure. For the European countries, it is not about palm oil being a bad commodity, but it is a matter of protecting their own oils. “In Europe, rapeseed, canola and soybean is heavily subsidised and cannot compete with palm oil. As such, the only way is for them to create entry barriers for palm oil.”

CPOPC secretary general Dr Rizal Affandi Lukman said the organisation continues to be bullish on crude palm oil prices, which is expected to be supported by declining production, ageing palm profile, uncertainties in weather conditions, and biofuel mandates. He projects prices will hover between US$800 to US$1000 per tonne.

“Previously, in the past five years, Indonesia’s exports to the European market stood at about 15.7%, but presently it is around 10% to 11% of our total exports. Several factors have contributed to this decline, notably the increased domestic consumption in Indonesia.” Rizal said this year, the Indonesian government initiated the B35 biodiesel program, consuming about 43% of the national palm oil production for biodiesel purposes, significantly impacting the volume of exports. “Furthermore, the government plans to progress to the B40 program next year, indicating sustained domestic demand for palm oil. While European demand may be declining, the overall demand for palm oil remains robust, especially in key markets like India, China, and Pakistan, which will continue to be robust,” he said.

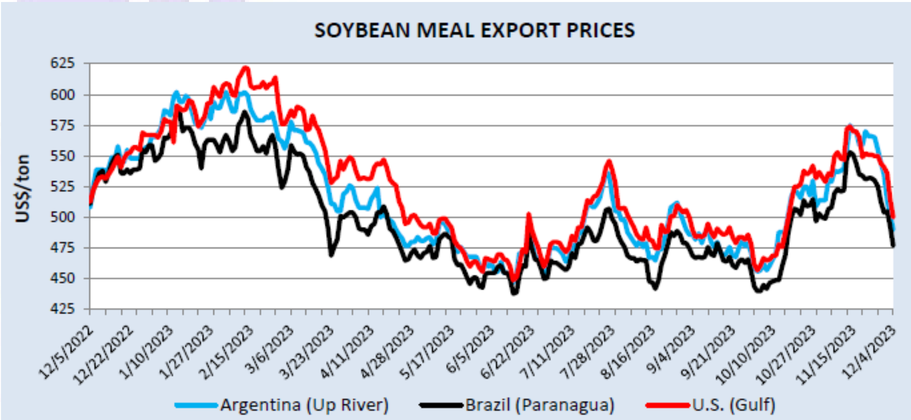
PLANT PROTEIN MEALS

➢ World Soybean Meal Supply & Demand Outlook

Meal, Soybean World as of December 2023							
Attribute	23/24 Dec'23	Change	23/24 Nov'23	22/23	21/22	20/21	19/20
Crush (1000 MT)	329,499	+30(+.01%)	329,469	313,415	314,506	316,039	312,661
Extr. Rate, 999.9999 (PERCENT)	0.78	-	0.78	0.79	0.78	0.79	0.79
Beginning Stocks (1000 MT)	13,744	+56(+.41%)	13,688	16,839	16,556	17,004	16,620
Production (1000 MT)	258,655	+23(+.01%)	258,632	246,441	246,752	248,351	245,604
MY Imports (1000 MT)	66,747	-32(-.05%)	66,779	62,864	67,153	65,360	63,323
Total Supply (1000 MT)	339,146	+47(+.01%)	339,099	326,144	330,461	330,715	325,547
MY Exports (1000 MT)	69,836	+50(+.07%)	69,786	66,546	68,830	69,434	67,942
Industrial Dom. Cons. (1000 MT)	1,370	-	1,370	1,362	1,322	1,367	1,377
Food Use Dom. Cons. (1000 MT)	852	-	852	821	796	741	671
Feed Waste Dom. Cons. (1000 MT)	251,335	-67(-.03%)	251,402	243,671	242,674	242,617	238,553
Total Dom. Cons. (1000 MT)	253,557	-67(-.03%)	253,624	245,854	244,792	244,725	240,601
Ending Stocks (1000 MT)	15,753	+64(+.41%)	15,689	13,744	16,839	16,556	17,004
Total Distribution (1000 MT)	339,146	+47(+.01%)	339,099	326,144	330,461	330,715	325,547
SME (1000 MT)	251,335	-67(-.03%)	251,402	243,671	242,674	242,617	238,553

Source: USDA PS&D

World Soybean Meal Prices



Soybean Meal Export Prices (U.S. dollars per metric ton)

	U.S.	Argentina	Brazil
November 9	$548	$538	$521
December 4	$500	$490	$477
Change	- $48	- $48	- $44

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

8 December 2023 USDA FAS - Global demand has been strong, but the abundance of supplies in Brazil pressured soybean and meal prices lower in recent weeks.

Mid-November saw soybean meal prices from all origins skyrocket following strength in soybeans as well as plummeting Argentina crushing on slow farmer selling and a steep decline in soybean meal exports. However, soybean meal prices have fallen over $80/ton since the mid-November peak on continued strong crush in Brazil and the United States. Argentine prices also dropped compounded by uncertainty over potential devaluation of the Argentine peso following inauguration of the new president.

Spot Soymeal Export Prices (As of December 2023)
Source: Agricensus

U.S. fob Gulf, $488.25/MT, -$2.00
Brazil, fob Paranagua, $459.00/MT, -$0.25
Argentina, fob upriver, $466.75/MT, -$1.75

Argentina Soybean Meal Supply & Demand Outlook

Meal, Soybean Argentina as of December 2023							
Attribute	23/24 Dec'23	Change	23/24 Nov'23	22/23	21/22	20/21	19/20
Crush (1000 MT)	34,500	-	34,500	30,318	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)	2,361	-	2,361	2,797	2,289	2,568	2,988
Production (1000 MT)	26,910	-	26,910	23,648	30,287	31,320	30,240
MY Imports (1000 MT)	10	-	10	67	135	1	1
Total Supply (1000 MT)	29,281	-	29,281	26,512	32,711	33,889	33,229
MY Exports (1000 MT)	23,400	-	23,400	20,751	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)	2,431	-	2,431	2,361	2,797	2,289	2,568
Total Distribution (1000 MT)	29,281	-	29,281	26,512	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

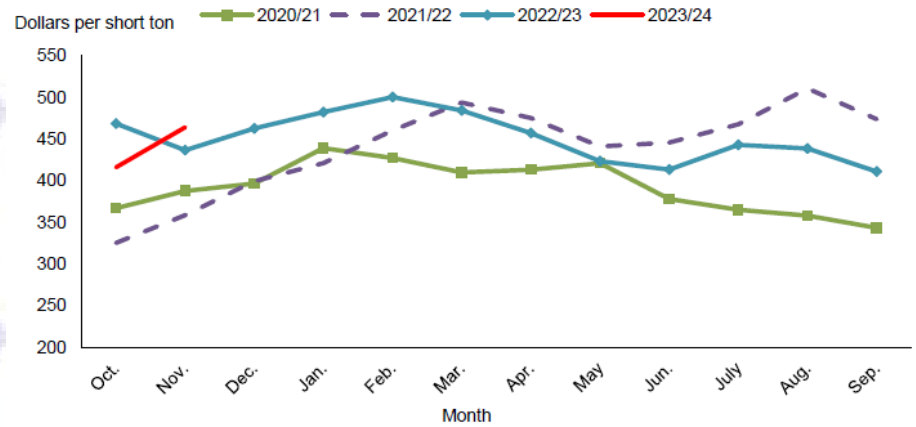
U.S. Soybean Meal Supply & Demand Outlook

Meal, Soybean United States as of December 2023							
Attribute	23/24 Dec'23	Change	23/24 Nov'23	22/23	21/22	20/21	19/20
Crush (1000 MT)	62,596	-	62,596	60,199	59,980	58,257	58,910
Extr. Rate, 999.9999 (PERCENT)	0.78	-	0.78	0.79	0.78	0.79	0.79
Beginning Stocks (1000 MT)	336	-	336	282	309	310	365
Production (1000 MT)	49,128	-	49,128	47,621	47,005	45,872	46,358
MY Imports (1000 MT)	544	-	544	573	594	712	580
Total Supply (1000 MT)	50,008	-	50,008	48,476	47,908	46,894	47,303
MY Exports (1000 MT)	13,880	-	13,880	13,303	12,283	12,406	12,549
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)	35,765	-	35,765	34,837	35,343	34,179	34,444
Total Dom. Cons. (1000 MT)	35,765	-	35,765	34,837	35,343	34,179	34,444
Ending Stocks (1000 MT)	363	-	363	336	282	309	310
Total Distribution (1000 MT)	50,008	-	50,008	48,476	47,908	46,894	47,303
SME (1000 MT)	35,765	-	35,765	34,837	35,343	34,179	34,444

Source: USDA PS&D

U.S. Domestic Soybean Meal Prices on the Rise

U.S. soybean meal prices, Decatur, Illinois



Source: USDA, Economic Research Service using data from USDA, Agricultural Marketing Service, *National Grain and Oilseed Processor Feedstuff Report.*

12 December 2023 USDA ERS - The shrinking prospects for Brazil's soybean production has increased the value of U.S. soybeans.

In November, soybean cash prices at country elevators in Central Illinois increased by $0.68 per bushel to $13.08 per bushel. Throughout the country, cash prices rallied above $13.00 per bushel by the middle of November and then prices declined to an average of $12.67 per bushel in the first week of December.

Despite these gains, the forecast for average soybean price received by farmers for the MY 2023/24 is unchanged this month at $12.90 per bushel as prices have begun to decline in December.

Aligning with the soybean price rallies in November, Central Illinois soybean meal prices rose to an average of $464.27 per short ton, up from $416.16 in October.

As a result, the 2023/24 season-average soybean meal price is increased to $390.00 per short ton from $380.00 per short ton last month.

In contrast, soybean oil prices declined nearly 6% from 56.60 cents per pound in October to 53.39 cents per pound in November on the weaker Renewable Identification Numbers (RIN's) prices, lower energy prices and increased supply of alternative vegetable oils and fats in the biofuels market. As a result, the season-average soybean oil price is lowered 4.0 cents to 57.0 cents per pound.

Soybean meal prices were also well supported by the soybean meal export program. In October, the United States exported 1.3 million short tons of soybean meal, a record-high amount for the month of October.

As of November 30, U.S. soybean meal commitments totaled 6.9 million short tons, 19% above the same week in MY 2022/23. Early bookings were largely driven by competitive U.S. soybean meal prices compared with Argentina where total soybean crush for MY 2022/23 was affected by drought. In September and October, soybean crushers in Argentina processed well below 2.0 mmts, which are the lowest monthly crush volumes since 2001.

Alternatively, the United States has seen record-high monthly soybean crush volumes in September and October, which has boosted soybean meal production. U.S. soybean crush totaled 201.4 million bushels in October, up 27.0 million bushels from September and up 2.4% from October 2022. The new record daily crushing rate was established at 6.5 million bushels per day, 1.6% higher than the previous record observed in December 2021. The record daily crushing rate is partially attributed to the new soybean crushing plant in North Dakota. The Green Bison Soybean processing plant in Spiritwood is the first soybean crushing plant and refinery in North Dakota with a capacity to process 150,000 bushels per day. Archer Daniels Midland owns 75% of the plant, and Marathon Petroleum owns 25%.

➢ CME CBOT Soybean Meal – Daily Nearby

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

CME January 2024 Soybean Meal Futures, *settled on Friday at $405.60/short ton, up $1.90 on the day, and gaining $0.90/short ton for the week.*

NOPA members reported a new average daily crush record of 6.3 mbu/day during the month of November. The 189.04 mbu crush was at the high end of estimates and was only 0.4% below the 189.77 mbu record set in October – on one less processing day. Soybean oil stocks ballooned 10.4% to 1.213 billion lbs, the trade average guess was to see 1.138b lbs.

NOPA crush at 189 mbus was +3 vs trade estimates, but did set a new daily high crush rate at 6.3 mbus/day. The Nov crush was a full 10 mbus over LY.

SBO stocks at 1.214 +76 vs trade est. Oil stocks increased 10.4% over LM's multi-year low, but was -26% LY. Oil yield at 11.83 vs 11.63 LY.

Spiritwood Crush plant is still not running well with no truck deliveries again next week.

Soymeal futures settled mixed on Friday with a $1.90/ton gain for Jan but a $1.20 loss in May. Jan remains a $12.60 premium to May meal.

Weekly Commitment of Traders data showed liquidation from soybean spec traders during the week that ended the 12th of December. There were more longs exited

CFTC data showed managed money funds closed 23k longs in soymeal during the week, reducing their net long to 92,720 contracts.

➢ Soybean Meal Export Prices (FOB, US$/mt) as of 15 December 2023

CIF SOYBEAN MEAL	12/14/2023	12/15/2023	
DEC	35 / 45	- / 40	F
JAN	28 / 36	25 / 30	F
FEB	16 / 28	18 / 28	H
MAR	16 / 28	18 / 28	H
APR	5 / 20	- / 20	K
MAY	5 / 20	- / 20	K
JUN	5 / 20	- / 20	N

Soybean meal exports dropped from 373 kmts to 321 kmts for the week ending December 7th. Despite the week to week reduction, shipments over the past month are averaging an all-time seasonal high of 313 kmts/week. 265 kmts/week are needed to stay on pace with the USDA's 13.9 mmts annual forecast.

➢ DDG's – Prices were firm for the week

Source: DTN https://www.dtnpf.com/agriculture/web/ag/news/article/2023/12/08/dtn-weekly-ddg-average-price-firm-2

8 December 2023 Mary Kennedy, DTN –The DTN average price for domestic distillers dried grains (DDG) from 33 locations reporting for the week ending December 7th was steady at $202 per ton on average versus one week ago.

DDG prices were steady on average as strength in cash soybean meal prices was supportive to the market.

USGC reported, the "DDGS/cash corn ratio is firmer this week at 1.36 and above the three-year average of 1.03. The DDGS/KC soymeal ratio rose to 0.45 this week and remains below the three-year average of 0.51."

The Energy Information Administration on Wednesday said overall ethanol production in the United States for the week ended Dec. 1 averaged 1.076 million barrels per day (bpd) in the week ended Dec. 1, up 65,000 bpd, week-on-week, while 1,000 bpd lower than in the same week last year. Four-week average output at 1.04 million bpd was 3,000 bpd above the same four weeks in 2022. Midwest ethanol production averaged 1.02 million bpd, up 70,000 bpd week-on-week and 6,000 bpd, or 0.6%, higher than in the same week last year. Four-week average output at 980,000 bpd was 2,000 bpd above the same four weeks in 2022.

In their weekly DDGS export update, the U.S. Grains Council said, "Barge CIF NOLA offers are up $3 metric ton (mt) for December and steady to up $2 for January and February this week despite declines in barge freight. FOB NOLA offers steady to $1 higher for December through February shipment and average $285 mt for spot shipment. Prices for containerized DDGS shipped to Southeast Asia are lower this week amid the recent pullback in ocean freight rates. Late December offers are down $6 mt at $323 C&F Southeast Asia with January and February offers down $5 at $322/mt."

USGC noted, "USDA's monthly Grain Crushings report featured 11.722 mmts of corn used for fuel ethanol production in October, a figure up 7.3% from the prior month and up 2.9%, year-over-year. DDGS production rose 5.6% from September and hit 1.63 mmts, also up 2.9% from the prior year. Corn gluten feed production fell 1% from October 2022 to 240,000 mts while corn gluten meal output rose 0.6% to 110,000 mts."

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 $1.62000/gallon.*

January WTI crude oil (CLF24) on Friday closed down -0.15 (-0.21%), and Jan RBOB gasoline (RBF24) closed up +1.82 (+0.86%).

Ethanol is quiet with margins generally weaker though some of the weakness is seasonal – sugar as RBOB prices are imploding (though ethanol still a solid discount to RBOB) and the inverse in ethanol has eroded. January forward ethanol at a carry now. Nearby margins are still there but getting tight Jan24 forward, look for further margin erosion yet to come.

Spot gross cash crush fuel margins were flat, but on the week down .07/g, sitting at the 70th percentile since 2009. Logistics are performing well, and plants have margin to expand runs, but we'll see a decent pull back in demand post holidays that enable the seasonal build in stocks and further challenges margins Jan-Feb, so am staying with board crush hedges in Jan-Feb for now.

Ethanol plants are taking advantage/locking in NG at cheap current values. A mixed bag on plants having or not yet booked on forward margins; some more, some less than historical. Feb24 CU open interest is historically low.

USDA's national weekly Ethanol report showed the average price was mostly 2 to 12 cents lower form $1.47 to $1.65/gal. The DDGS market was $185 - $235 regionally, and was mixed from $15 weaker to $30/ton stronger. The corn oil cash market was mostly 1-4 cents lower from 49 to 56 cents/lb regionally.

Ethanol production modestly lower, Stocks grow

13 December 2023 by John Perkins - U.S. ethanol production declined slightly last week. The U.S. Energy Information Administration says production averaged 1.074 million barrels a day, down 2,000 on the week, but up 13,000 on the year.

Iowa State University's Center for Agricultural and Rural Development says operating margins for the average Iowa plant slipped a little bit, while remaining in positive territory and above a year ago.

Net inputs of ethanol purchased by refiners and blenders and the volume of gasoline supplied to the consumer market both showed week-to-week improvements.

Ethanol stocks of 22.1 million gallons were the largest since mid-August, an increase of 661,000 from the week before, but a decrease of 2.309 million from this time last year.

Ethanol exports averaged 124,000 barrels a day, a jump of 67,000 from the previous week.

The USDA's next corn for ethanol use projection is out January 12th, 2024.

U.S. Corn Values delivered Ethanol Plants – the 15th December 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	12/14/2023	12/15/2023		
Blair, NE	10	10	H	**UNC**
Cedar Rapids, IA	0	0	H	**UNC**
Decatur, IL	-5	-5	H	**UNC**
Fort Dodge, IA	13	13	H	**UNC**
N. Manchester, IN	-12	-20	H	
Portland, IN	-20	-20	H	**UNC**

Iowa, Nebraska Ask Court to Require EPA to Finalize E15 Rule Before March

The states of Iowa and Nebraska asked a federal court on Wednesday to require EPA to "promptly" finalize a rule to allow permanent, year-round E15 sales in eight states, rejecting the agency's proposed plan to finalize the rule by March 28, 2024, reports *DTN's Progressive Farmer.*

The states are concerned that finalizing the rule in March would make it difficult to open up E15 sales in time for the start of the summer driving season in June. The states argue EPA has no reason for the long delay because, during the past five years, the agency has issued a series of emergency waivers in certain regions to allow year-round E15 sales.

EPA was required by law to finalize a rule by July 2022 - 17 months ago.

Biden backs ethanol industry on low-emission aviation fuel tax credits

15 December 2023 by by Stephanie Kelly and Leah Douglas, Reuters - The Biden administration said on Friday it will recognize a methodology favored by the ethanol industry in guidance to companies looking to claim tax credits for sustainable aviation fuel (SAF), a pivotal win for the politically powerful U.S. corn lobby.

But the administration will also update the methodology by March 1st, which leaves some uncertainty for corn-based ethanol producers, as it could ultimately tighten requirements around SAF feedstocks.

The global aviation industry, which is expected to reap net profits of over $20 billion in 2023 and accounts for about 2% of global energy-related carbon dioxide emissions, is one of the hardest sectors to decarbonize, as the equipment is not easy to electrify. Airlines argue that incentives are needed to boost the market for SAF, which can generate 50% less greenhouse gas emissions over its lifecycle than petroleum fuel, but is typically two to three times more expensive than fossil-fuel-based jet fuel.

For months, the Biden administration has been divided over whether to recognize the Department of Energy's Greenhouse Gases, Regulated Emissions and Energy Use in Technologies model. That model enables ethanol-based SAF to qualify for tax credits under the Inflation Reduction Act, President Biden's signature climate law.

Ethanol producers and corn farmers in rural states such as Iowa and Illinois have been awaiting updates, as the industry sees SAF as one of the only routes to grow ethanol demand amid rising sales of electric vehicles.

Biden, a Democrat, is seeking re-election and will depend on votes from closely contested Midwestern states that are the heaviest corn producers.

The guidance was first reported by Reuters on Thursday.

While the guidance aims to reduce the price gap between SAF and traditional jet fuel, administration officials could not provide data to show the extent that the incentives would reduce price discrepancies between the fuels.

ETHANOL SEEKS ROLE IN SAF

Ethanol groups have lobbied the Biden administration fiercely to recognize the GREET model for IRA credits, battling environmentalists who want standards that elevate feedstocks like used cooking oil and animal fat instead.

Farmers, ranchers and producers have the capacity to provide feedstocks to help airlines and the transportation industry meet a potentially 36-billion-gallon market, said Agriculture Secretary Tom Vilsack on a call with reporters.

"Key to this was the Treasury recognizing and appreciating the importance of the GREET platform for providing a pathway for corn-based ethanol and [other] biobased fuels to qualify for significant tax credits that were included in the IRA," Vilsack said.

Still, the GREET model now will be updated to incorporate new data and modeling on emissions sources like land use change and livestock activity, as well as strategies producers can use to lower emissions like CCS, renewable natural gas, and climate-friendly farming practices, the Internal Revenue Service said on Friday.

The IRA currently requires SAF producers to assess emissions with a model backed by the International Civil Aviation Organization (ICAO) or a "similar methodology."

"The real question is, come March, will the GREET model be set up in a way that will effectuate the ICAO standards," said Mark Brownstein, senior vice president of energy transition at the Environmental Defense Fund.

Under the new changes, fuel produced in 2023 that meets the new GREET standards will be eligible for the credit, administration said on background during a call with reporters.

The Environmental Protection Agency and the Departments of Agriculture, Energy, and Transportation are working together on the scientific updates, an administration official told reporters on a Thursday press call.

Ethanol trade groups including the Renewable Fuels Association and Growth Energy cheered the news on Friday but said more information around the updated guidance was needed.

"New investments in SAF are highly dependent on the pending GREET modeling updates," said Growth Energy chief executive Emily Skor. "The industry needs more clarity around the proposed changes before we have certainty around market access.

➢ India plans to discourage ethanol production to prioritize sugar

6 December 2023 by Rajendra Jadhav and Mayank Bhardwaj, Reuters - India is planning to discourage the diversion of sugar for ethanol production as part of efforts to ensure sufficient supplies of the sweetener in the local market, government and trade sources said on Wednesday. Lower diversion for ethanol will help the world's second biggest sugar producer in increasing output of the sweetener, which is expected to fall because of below normal rainfall in key growing states.

The government could ask mills not to use sugar cane juice and B-heavy molasses - a byproduct with higher sucrose levels - to produce ethanol, they said.

India's fuel retailers buy ethanol from sugar mills to blend with gasoline and they were paying higher price for ethanol produced from juice and B-heavy molasses.

"After assessing the demand-supply situation, the committee of ministers decided to focus on sugar production this year," said one of the government sources who declined to be named according to official rules. The government would allow mills to produce ethanol only from C-heavy molasses, a cane by-product that has hardly any sugar content left in it, the second government official said.

The new guidelines for ethanol procurement in the 2023/24 marketing year, which commenced on November 1, will be finalised soon and oil marketing companies are likely to honour contracts already awarded, the first source said.

The government's move is a setback for the industry, which has invested billions of dollars in the last five years to increase ethanol production capacity, said a senior industry official who declined to be named.

"Hopefully, this setback will be short-term, and the government will shift its focus back to ethanol once sugar cane supplies improve," the official said.

Patchy rains in the top sugar cane-growing western state of Maharashtra and southern Karnataka state have raised concerns about this year's sugar output.

The Indian Sugar Mills Association, a producers' body, last month said sugar production is likely to fall 8% to 33.7 in the 2023/24 marketing year.

The likely production drop has lifted local sugar prices to their highest levels in nearly 14 years.

➢ 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 $71.40/barrel,*

January WTI crude oil (CLF24) on Friday closed down -0.15 (-0.21%), and Jan RBOB gasoline (RBF24) closed up +1.82 (+0.86%).

IEA said that global oil demand has slowed "drastically" in Q4. They have lowered their demand forecast by 400k bpd which puts ytd growth at 2.3M bpd. They see next year's growth at 1.1M bpd which is half that of OPEC's demand growth forecast of 2.2M bpd. IEA sees non-opec supply growth at 1.2M bpd in 2024.

➢ Crude Prices Lower on Dollar Strength and Energy Demand Concerns

15 December 2023 by Rich Asplund, Barchart – Crude oil and gasoline prices Friday settled mixed, with gasoline posting a 1-week high. A stronger dollar on Friday undercut commodity prices, including crude. Also, weaker-than-expected global manufacturing news signaled slack energy demand that was negative for crude oil prices. In addition, hawkish comments Friday from New York Fed President Williams dampened speculation about Fed rate cuts and weighed on asset markets when he said it's too early to think about cutting interest rates.

Friday's weaker-than-expected global manufacturing news was bearish for energy demand and crude oil prices. The U.S. Dec S&P manufacturing PMI unexpectedly fell -1.2 to 48.2, weaker than expectations of an increase to 49.5 and the steepest pace of contraction in 4 months. Also, the Eurozone Dec S&P manufacturing PMI was unchanged at 44.2, weaker than expectations of an increase to 44.6. In addition, the Japan Dec Jibun Bank manufacturing PMI fell -0.6 to 47.7, the weakest level in 10 months.

Strength in the crude crack spread is supportive of crude prices. The crack spread Friday rose to a 2-1/2 month high, encouraging refiners to boost their crude purchases and refine the crude into gasoline and distillates.

A supportive factor for crude was Monday's projection from the American Automobile Association (AAA) that a record 7.5 million people are expected to fly from December 23rd to January 2nd, the most since the AAA began tracking the data in 2000.

A positive factor for crude was the U.S. Energy Department's offer last Friday to buy as much as 3 mbbl of sour crude for delivery in March to refill the strategic petroleum reserve. That comes on top of a previous tender to buy the same amount for February. The Energy Department said it will hold monthly tenders to buy oil to refill the reserve through at least May 2024.

Crude prices Tuesday plunged to a 5-1/2 month low as an increase in Russian crude exports undercut oil prices. Tanker-tracking data monitored by Bloomberg shows refined fuel shipments climbed to 3.2 million bpd in the four weeks to Dec 10, up +114,000 bpd from the prior week and the highest five months.

On Nov 30th, OPEC+ agreed to cut crude production by -1.0 million bpd through June 2024. However, crude prices sold off on the news since no details were provided on how the cuts would be distributed among members nor how Russia's -300,000 bpd export cut would factor into the new totals. Delegates said the final details of the new accord, including national production levels, would be announced individually by each country rather than in the customary OPEC+ communique. The market was disappointed that the extra cuts in OPEC crude output will be announced by each individual country, which suggests the reductions may only be voluntary.

Saudi Arabia said on Nov 30 that it would maintain its unilateral crude production cut of 1.0 million bpd through Q1-2024. The move would maintain Saudi Arabia's crude output at about 9 million bpd, the lowest level in three years. Russia also said it will deepen its voluntary oil export cuts by 200,000 bpd to 500,000 bpd in Q1 of 2024. OPEC Nov crude production fell -140,000 bpd to 28.050 million bpd.

The rift between Angola and other OPEC+ members remains and is a bearish factor that signals more infighting among members. Angola OPEC governor Pedro said on Nov 30 that his country rejects OPEC's quota and "Angola will produce above the quota determined by OPEC." Angola is Africa's second-largest crude producer, and OPEC governor Pedro said his country will pump 1.18 million bpd in January, above the 1.11 million quota set out by OPEC.

Oil prices are supported by concern that attacks on oil tankers in the Middle East may disrupt crude oil supplies. At least twelve merchant ships have been attacked or approached around Yemen by Iranian-backed Houthi militants in the Red Sea since Israel's war with Hamas broke out in October.

An increase in crude in floating storage is bearish 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 rose +11% w/w to 79.87 mbbl as of December 8th.

Wednesday's EIA report showed that (1) U.S. crude oil inventories as of Dec 8 were -2.1% below the seasonal 5-year average, (2) gasoline inventories were -2.1% below the seasonal 5-year average, and (3) distillate inventories were -12.1% below the 5-year seasonal average. U.S. crude oil production in the week ending Dec 8 was unchanged w/w to 13.1 million bpd, just below the record high of 13.2 million bpd the week ending November 24th.

Baker Hughes reported Friday that active U.S. oil rigs in the week ended Dec 15 fell by -2 rigs to 501 rigs, modestly above the 1-3/4 year low of 494 rigs from Nov 10. The number of U.S. oil rigs has fallen this year after moving sharply higher during 2021-22 from the 18-year pandemic low of 172 rigs posted in Aug 2020 to a 3-1/2 year high of 627 rigs in December 2022.

➢ **NYMEX Natural Gas – Weekly Cash**

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

***NYMEX Cash Natural Gas** settled on Friday at $2.489/MMBtu..*

January Nymex natural gas (NGF24) on Friday closed up +0.099 (+4.14%).

- **Nat-Gas Prices Jump on Forecasts for Below-Normal U.S. Temps**

15th December 2023 by Rich Asplund, Barchart – Nat-gas prices Friday rallied sharply after forecasts for colder U.S temperatures sparked short-covering in nat-gas futures. Forecaster Maxar Technologies said a brief round of below-average temperatures will start Dec 20, mainly along the Southeast U.S., which will boost heating demand for nat-gas.

Nat-gas prices on Wednesday tumbled to a 6-month low and have been under pressure over the past month as above-normal early winter U.S. temperatures have curbed heating demand for nat-gas and kept supplies elevated. Forecaster Maxar Technologies said updated weather forecasts have trended warmer and that above-normal temperatures are expected for most of the U.S. into the end of the year.

The U.S. Climate Prediction Center said there is a greater than 55% chance the current El Nino weather pattern will remain strong in the Northern Hemisphere through March, keeping temperatures above average and weighing on nat-gas prices. AccuWeather said El Nino will limit snowfall across Canada this season in addition to causing above-normal temperatures across North America.

Lower-48 state dry gas production Friday was 104.8 bcf/day (+4.7% y/y), according to BNEF. Lower-48 state gas demand Friday was 89.1 bcf/day (-9.6% y/y), according to BNEF. LNG net flows to U.S. LNG export terminals Friday were 15.1 bcf/day (+3.4% w/w), according to BNEF.

An increase in U.S. electricity output supports nat-gas demand from utility providers. The Edison Electric Institute reported Wednesday that total U.S. electricity output in the week ended December 9 rose +0.3% y/y to 75,237 GWh (gigawatt hours), although cumulative U.S. electricity output in the 52-week period ending December 9 fell -0.7% y/y to 4,093,153 GWh.

Thursday's weekly EIA report was neutral to slightly bearish for nat-gas prices as nat-gas inventories for the week ended December 8 fell -55 bcf, right on expectations but below the 5-year average draw of -81 bcf. As of December 8, nat-gas inventories were up +7.4% y/y and were +7.6% above their 5-year seasonal average, signaling ample nat-gas supplies. In Europe, gas storage was 90% full as of December 11, above the 5-year seasonal average of 80% full for this time of year.

Baker Hughes reported Friday that the number of active U.S. nat-gas drilling rigs in the week ended December 15 was unchanged at 119 rigs, just above the 19-month low of 113 rigs posted September 8. Active rigs this year have fallen back after climbing to a 4-year high of 166 rigs in Sep 2022 from the pandemic-era record low of 68 rigs posted in July 2020 (data since 1987).

OTHER MARKETS

- **China pork prices continue to decline despite stockpiling effort**

4 December 2023 - China's hog and pork prices dropped last week both on a weekly and yearly basis, as a worse-than-expected demand and still sufficient supply continue to put pressure on the industry.

The average price of piglets in China dropped by 1.3% and 46% week on week and year on year, respectively, to CNY23.72/kg ($3.35/kg) during the last week of November, while the average hog price also dropped by 1.4% and 36.6% on the week and on year, respectively, to CNY14.99/kg, according to the weekly update from the Agriculture Ministry published on Monday.

The average price of pork meanwhile also declined by 0.5% week on week and 35.5% year on year to CNY24.81/kg.

The declines have dashed the hope of many in the industry who thought pork prices had touched bottom and should bounce back soon.

Such a hope was briefly encouraged, when in the week before last, hog and pork prices were seen to rise by 1.2% and 0.2% week on week, respectively.

Overall, China's declining pork price, which is partly because of ample supply of the animal, has led to a hog-to-grain ratio of around 5:1 to 6:1 recently, below the break-even point of 7:1, meaning pig farmers are losing money, according to the government.

As part of the government's bid to lift pork prices, it announced last week that it would purchase 10,000 mt of frozen pork for state reserves, the third batch of such buying this year.

The grim situation in the hog industry is also reflected in the soymeal market, where the average traded price of the soybean product dropped to CNY3,938/mt last Friday, compared with CNY4,008/mt on Monday, November 27, according to sources.

In terms of volume, around 418,400 mt of soymeal, most of which were spot sales, were traded last week, compared with 739,200 mt traded the week before.

Worse-than-expected demand

Chinese pork prices are under pressure for multiple reasons.On the supply side, major pig companies have been selling pigs ahead of usual schedule for fear of the spread of diseases such as African Swine Fever, as well as their need to get revenues as there is more pressure on their cash flow at the year-end, according to a source.

Meanwhile, the demand for pork has been worse than expected, as due to a higher-than-usual temperature, Chinese households have yet to start stockpiling pork for curing, said the source.

Traditionally, Chinese families buy meat like pork in the winter to cure for eating during the Lunar New Year festival.

In addition, the recent spread of flu and respiratory illnesses in north China has also affected demand, according to sources, but there may still be reasons for optimism.

The sow herd has been dropping steadily, standing at 42.1 million as of the end of October, compared with 43.67 million in January, according to the Agriculture Ministry.

The 42.1 million sow herd represents a 0.7% drop week on week and a 3.9% decline year on year, according to analysts from Sealand Securities.

“We think as the [pig] industry is under dual pressure of capital outflows and debt repayments, so it

- **<u>France puts country on high alert regarding bird flu</u>**

5 December 2023 Reuters - France raised the risk level of bird flu to 'high' from 'moderate' after the detection of new cases of the disease, the farm ministry said on Tuesday, forcing poultry farms to keep birds indoors to stem the spread of the highly contagious virus.

Avian influenza, commonly known as bird flu, has led to the culling of hundreds of millions birds worldwide in recent years. It usually strikes during autumn and winter and has been spreading in many European countries in the past weeks, including Germany, the Netherlands and Belgium.

France had said last week that it had detected a first bird flu outbreak on a farm this season in Brittany, in the northwest of the country.

The "high" risk level, which was previously set at "moderate", implies that all poultry should be kept inside on farms and additional security measures taken to avoid a spread of the disease.

Although the bird flu is harmless in food, its spread is a concern for governments and the poultry industry due to the devastation it can cause to flocks, the possibility of trade restrictions and a risk of human transmission.

TRANSPORTATION

- **<u>Baltic Dry Freight Index – Daily = 22348</u>**

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.

GHA: Logistics. The logistical problems plaguing the world’s shipping is a whole discussion within itself. In the U.S. a good portion of the grain exports destine to the far-east has been shifted the west coast out of the PHW. Much of the rest of the grain traffic having been diverted from the Panama Canal has been sent to the Suez Canal, with traffic being slowed by an increase in aggression from the region’s terrorists. Many shippers announced they will be seeking alternative routes instead of heading into the Suez. Maersk stating containership are now reportedly stopping all Red Sea transits and going around the Cape of Good Hope. From US to Asia this *adds ~4 more days and 1,200 miles vs Suez. This will likely further limit Gulf demand or push sellers to cheapen offers to compensate for increased freight costs.*

- **Baltic Exchange Weekly Market Report**

15th December 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 dynamic week, with distinct developments in the Pacific and Atlantic regions. The Pacific market started the week on a high note, driven by port closures in North China due to weather and the presence of all three major players from West Australia to China, leading to a robust rise of $1,155 on the BCI 5TC to $36,475. Despite a setback mid-week due to alleviated port delays, the Pacific rebounded on Thursday with the closure of three more ports in North China and continued major player activity, resulting in a positive shift in C5 rates. In contrast, the Atlantic faced challenges with sluggish activity, widening bid/offer gaps, and weaker fixtures from South Brazil and West Africa to the Far East. Overall, the BCI 5TC closed the week at $34,107, reflecting the market's regional fluctuations and ongoing uncertainties.

Panamax - The beginning of the week saw a slight correction across most areas with a good amount of fresh tonnage and limited enquiry seeing rates slip further. The North Atlantic lacked fresh impetus, although as the week progressed there remained demand from the South Atlantic and some saw a tightness of tonnage supply for January dates, which helped maintain a fairly even level. An 80,000-dwt open India fixed a trip via EC South America for a trip to Singapore – Japan at $14,000, while an 81,000-dwt fixed a front haul basis delivery Gibraltar trip via US Gulf redelivery Singapore-Japan at $29,000. From Asia, little excitement as limited fresh enquiry from Indonesia and NoPac came into play. A 74,000-dwt open China fixed a trip via Indonesia redelivery Japan at $15,000. Period action was limited, although an 82,000-dwt open Singapore fixed 6/8 months trading redelivery worldwide at $17,000.

Ultramax/Supramax - A rather positional week ensued for the sector, but overall sentiment remained rather poor. In the Atlantic, slower demand from key areas such as the US Gulf saw rates slip from the recent highs while in the South Americas, a relatively tight tonnage supply saw rates maintain their levels. From Asia, little fresh enquiry appeared in the north and NoPac regions, which saw some tonnage ballast towards South Asia where cargo enquiry remained steady, but rates generally remained flat. Period activity slowed, with a 61,000-dwt coming open worldwide in February-March 2024 was heard fixed for 13-16 months trading at 120% of BSI. In the Atlantic, a 63,500-dwt was heard fixed delivery West Africa for a trip to China at $32,000 with nickel ore. From Asia, a 63,000-dwt open China fixed an Australian round redelivery Singapore-Japan at $12,00. From the Indian Ocean, a 63,000-dwt fixed delivery South Africa for a trip to India-Bangladesh at $23,000 plus $250,000 ballast bonus.

Handysize - A week of positivity across the Atlantic with continued limited tonnage availability the main driving force. Late improvements were seen for owners on the Continent, with a 38,000-dwt opening prompt in Rotterdam fixing for a trip to the Eastern Mediterranean with an intended cargo of scrap at $27,000. The US Gulf similarly saw further improvements this week with a 39,000-dwt fixing from Panama City to the UK-Continent with an intended cargo of wood pellets at $30,000. Prompt vessels in the South Atlantic were in high demand and brokers spoke of more voyage requirements for Far East and WC South America destinations, with a 37,000-dwt opening in Praia Mole was fixed for a trip basis delivery Recalada to WC South America with an intended cargo of grains at $45,000 to a grain house. In Asia, the market was more subdued in terms of visible activity and levels remained stable, with a 43,000-dwt fixed from Indonesia to China with coal in the mid $13,000s.

13th December 2023 Route (US$ per ton)	**TW**	**LW**	**LY**	**% Chg, y/y**
USA (New Orleans) - EU (Rotterdam)	36	41	28	29
USA (New Orleans) - Japan (Yokohama)	54	62	49	10
USA (New Orleans) - Mexico (Veracruz)	28	27	19	47
Argentina (Rosario) - EU (Rotterdam)	44	51	35	26
Australia (Kwinana) - China (Dalian)	24	26	20	20
Brazil (Santos) - China (Dalian) 52	61	46	13	
Brazil (Santos) - EU (Rotterdam)	37	43	28	32
EU (Rouen) - Algeria (Bejaia)	34	33	23	48
Russia (Novorossiysk) - Egypt (Alexandria)	29	29	21	38

Source: IGC https://www.igc.int/en/subscribers/gmi/gmi.aspx

In spite of the recent Capesize-led rebound, the benchmark Baltic Dry Index posted a net 19% w/w decline, albeit with values still quoted 87% higher y/y as of yesterday.

Average Capesize earnings fell by around one-quarter during the week, as the market extended the correction from earlier highs. While the downside was partly linked to weaker than expected economic data from China, traders also noted generally sluggish activity on main routes in both Basins.

Panamax earning declined by around one-fifth, on average, amid growing tonnage availability in the Atlantic and softening rates for transatlantic round voyages.

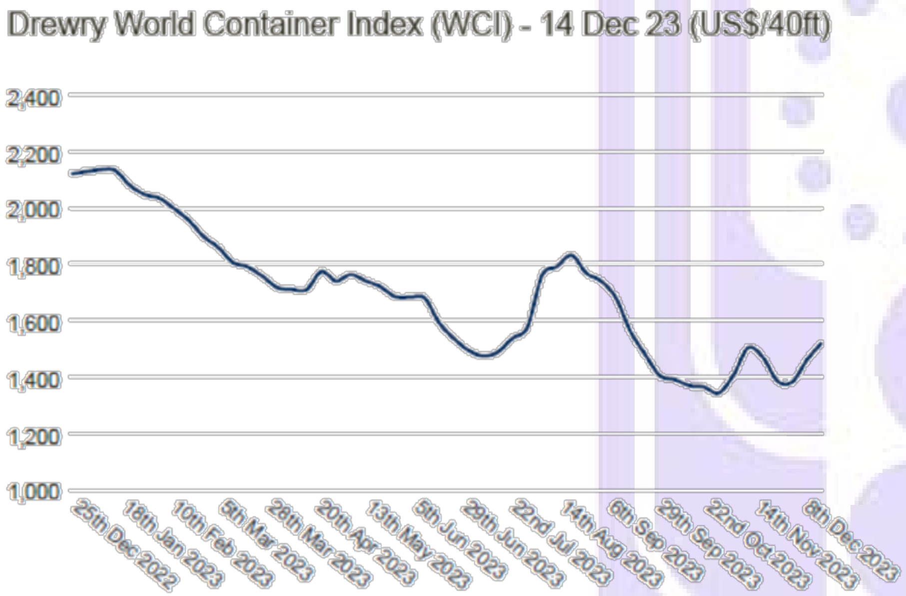
Market participants pointed to rising risks of blockages at the Suez Canal, which could add to ongoing bottlenecks at the Panama Canal, where average waiting times for bulk grain vessels reportedly rose to about 20 days (5-7 days in the previous month).

Although limited fresh inquiries at some key loading areas weighed on market sentiment, losses in the Supramax segment were less pronounced. The corresponding Baltic sub-Index down by 5% w/w, with brisk activity reported out of the US Gulf, notably for transatlantic trips.

Bucking the broader soft tone, Handysize values rose by 8% w/w, the Baltic sub-Index reaching a 13-month high, chiefly on firm demand and tight vessel supply in the Atlantic.

➢ Drewry World Container Index

World Container Index – 14 December 2023



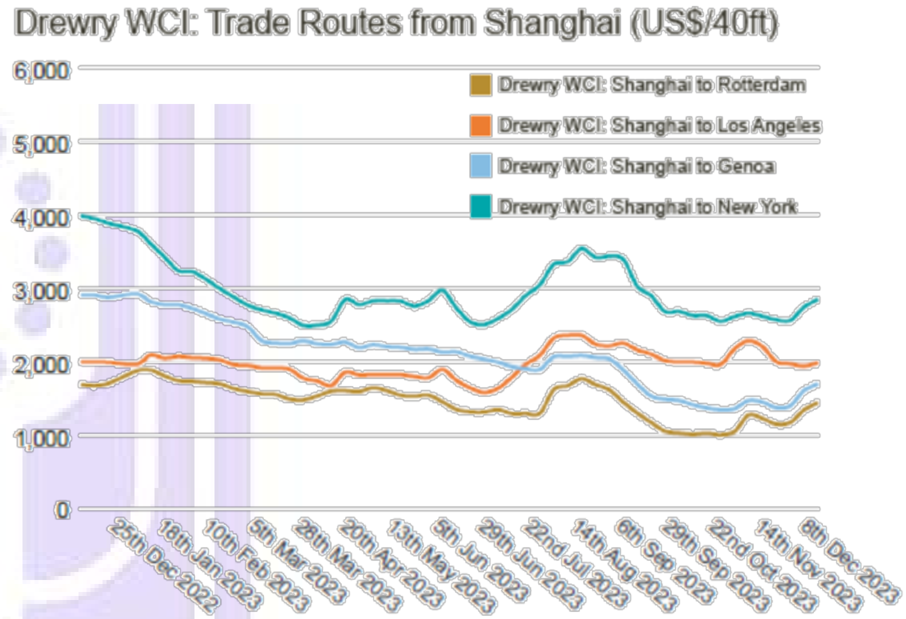
Source: Drewry World Container Index, Drewry Supply Chain Advisors
https://www.drewry.co.uk/supply-chain-advisors/supply-chain-expertise/world-container-index-assessed-by-drewry

The composite index increased by 4% to $1,521 this week and has dropped by 28% when compared with the same week last year.

The latest Drewry WCI composite index of $1,521 per 40-ft container is now 7% more than average 2019 (pre-pandemic) rates of $1,420.

The average composite index for the year-to-date is $1,674 per 40ft container, which is $998 lower than the 10-year average rate of $2,672 (which was inflated by the exceptional 2020-22 Covid period).

Freight rates on Shanghai to Rotterdam increased by 7% or $99 to $1,442 per feu. Followed by rates on Shanghai to Genoa which swelled by 6% or $89 to $1,697 per 40ft box. Likewise, rates on Shanghai to New York rose by 4% or $104 to $2,851 per 40ft container. Similarly, rates on Rotterdam to Shanghai, Shanghai to Los Angeles and Los Angeles to Shanghai grew by 2% to $452, $1,985 and $770 per feu respectively. Also, rates on New York to Rotterdam increased by 1% or $3 to $591 per 40ft box. While rates on Rotterdam to New York remain stable. Drewry anticipates East-West spot rates on lanes to remain close to current levels, overall, in the upcoming weeks.



If you need spot market container freight rate information on other routes to those below, find out more about our Container Freight Rate Insight (CFRI) online service, which covers over 790 global port pairs (updated monthly).

➢ Illinois River Barge Freight

5 December 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

	12/14/2023	**12/15/2023**	
Dec	375/400	375/400	**UNC**
Jan	400/450	400/450	**UNC**
Feb	400/450	400/450	**UNC**
March	350/425	360/425	
April	325/400	340/415	
May	325/400	325/400	**UNC**
June	325/400	325/400	**UNC**
July	325/400	325/400	**UNC**

ST LOUIS BARGE FREIGHT 14'	12/14/2023	12/15/2023	
Dec	310/340	310/340	**UNC**
Jan	300/340	300/340	**UNC**
Feb	285/325	285/340	
March	275/325	275/325	**UNC**
April	250/300	250/300	**UNC**
May	250/300	250/300	**UNC**
June	250/300	250/300	**UNC**
July	250/300	250/300	**UNC**

Logistics

- **CN Acquiring Iowa Northern Railway**

  CN announced that it has signed and closed an agreement to acquire Iowa Northern Railway (IANR), which operates approximately 275 track miles in Iowa connecting to CN's U.S. rail network.

  IANR serves upper Midwest agricultural and industrial markets covering many goods, including biofuels and grain. A Surface Transportation Board (STB) decision regarding the transaction is expected in 2024.

- **No Relief in Panama Canal Water Levels Is Disrupting Grain Shipments**

  11 December 2023 by Mary Kennedy, DTN Basis Analyst – The Panama Canal is experiencing an unprecedented drought that started this past summer and is continuing to hamper vessel traffic and either slowing or stalling ships needing to pass through. Some have even diverted their shipments because of the long wait.

  The Panama Canal relies on an artificial lake, Gatun Lake, which is 85 feet above sea level, and fills the locks in the Panama Canal with fresh water needed to raise vessels as they pass from the Pacific Ocean to the Atlantic Ocean. As of Dec. 10, the lake was at 81.6 feet, below the 85 feet needed to reach the level of Gatun Lake, according to the Panama Canal Authority (ACP) website.

  "We need to keep in mind that the 'rainy season' in Panama is just ending. So, this low water situation in Panama will last a bit longer than hoped," Jay O'Neil, HJ O'Neil Commodity Consulting told DTN.

  "For the next few months, there is no Panama Canal for grain shipments from the U.S. Gulf to Asia. This will also severely impact grain shipments from the U.S. Gulf to West Coast Central America and from PNW to East Coast Central America," said O'Neil. "It is rather easy to assume that PNW exports will take some business away from the Gulf. How much is not yet clear. Already seeing some Central and South American customers asking for PNW quotes. Others are currently paying the extra freight to go via the Straights of Magellan and Asian customers routing via the Suez Canal."

  On Nov. 26, O'Neil told DTN, "If a Panamax or Supramax, or other, grain ship loads the U.S. Gulf in the next three months, and wants to travel to Asia, they will need to contact the Panama Canal Authority and book a 'for fee' booking slot for a specific day in the future. And that possibility greatly depends on if a booking slot is available. If no booking slot is immediately available, the vessel must wait and keep trying, for it cannot transit through the canal unless it is lucky enough to obtain a booking slot or win a $2 million to $4 million-plus slot in the daily auction. And, as the booking slots are further reduced in the coming months, the auction bids will get larger."

  O'Neil added, "Wait times for dry bulk grain shipments, vessels that cannot get a convenient booking slot, and cannot afford the auction, have run up to 20 days. November was easier, but December forward will be very difficult, especially for grain ships. Plus, there is a preferred customer list that gives priority to the booking slots and, unless you are one of the top five to 10 customers of the canal, you are sitting at the back of the request line. If you are more than 10 numbers down the preferred list, your chances are extremely slim. Best find another route to take."

  In an Advisory to Shipping notice on December 1st about auction slots, ACP said that, as of December 3rd, "This special auction will be available to Neopanamax full container vessels that have already arrived at Canal waters and do not have a booking slot. The specific conditions that interested vessels must meet to participate in this auction will be announced three days before the transit date. The auction will be held two days before the transit date, and the initial bid for this auction will be $93,500."

  The ACP confirmed the reports of a record $4 million price paid by an LPG (liquefied petroleum gas) carrier for a slot offered in the November auction.

  The ACP reservation slots from now until February are limiting transits to 22 in December, 20 in January and 18 in February. "The Panama Canal urges its customers to make reservations to transit as programmed. In addition, information is provided in advance, as well as in real-time, so that shipping companies can plan and make the best decisions."

  O'Neil added, "There is now an auction for both the original and Neo-locks. A vessel without a booking slot at the original locks can participate in the daily auction and see what happens. Any non-prescheduled vessel that arrives at the Panama Canal must compete for a booking slot or take its chances in the expensive daily auction. Or just reroute."

  Everyone continues to wrestle with the low water situation at the Panama Canal, and dry bulk vessel transits have dropped by about 60% in the last two months. "Since we are now entering the dry season in Panama, things do not have the potential to improve much until April or May," said O'Neil.

  "Ocean freight costs will continue to increase along with the cost of fuel burned by ships waiting in line and any costs associated with diverting routes and/or late arrival of contracted goods."

Panama Canal drought to delay grain ships well into 2024

11 December 2023 by Karl Plume Reuters - Bulk grain shippers hauling crops from the U.S. Gulf Coast export hub to Asia are sailing longer routes and paying higher freight costs to avoid vessel congestion and record-high transit fees in the drought-hit Panama Canal, traders and analysts said.

The shipping snarl through one of the world's main maritime trade routes comes at the peak season for U.S. crop exports, and the higher costs are threatening to dent demand for U.S. corn and soy suppliers that have already ceded market share to Brazil in recent years.

Ships moving crops have faced wait times of up to three weeks to pass through the canal as container vessels and others that sail on more regular schedules are scooping up the few transit slots available.

The restrictions could continue to impede grain shipments well into 2024 when the region's wet season may begin to recharge reservoirs and normalize shipping in April or May, analysts said. "It's causing quite a disruption both in expense and delay," said Jay O'Neil, proprietor of HJ O'Neil Commodity Consulting, adding that the disruption is unlike any he's seen in his 50 years of monitoring global shipping.

The Panama Canal Authority restricted vessel transits this autumn as a severe drought limited supplies of water needed to operate its lock system. The Authority did not respond to request for comment on grain shipment delays.

Only 22 daily transits are currently allowed, down from around 35 in normal conditions. By February, transits will shrink further to 18 a day. Grain ships are often at the back of the line as they usually seek transit slots only a few days before arriving, while others like cruise and container ships book months in advance.

The Authority also offers the rare available slots to its top customers first, none of which are bulk grain haulers, O'Neil said.

Any scheduled slots that come available are auctioned off, but demand is exceptionally high. Some slots have gone for $1 million or more, untenable costs for the traditionally thin-margin grain trading business.

"The grain trades and the bulk carrier segment are going to be the last customers to go through the Panama Canal. I would not rely on the Panama Canal any time soon," said Mark Thompson, senior trader at Olam Agri.

Wait times for bulk grain vessels ballooned from around five to seven days in October to around 20 days by late November, O'Neil said, prompting more grain carriers to reroute.

Options include sailing south around South America or Africa, or transiting the Suez Canal. But those longer routes can add up to two weeks to shipping times, elevating costs for fuel, crews and freight leases.

"Commercial companies have been finding ways to navigate around the problem. But undoubtedly it costs the end-user more money," said Dan Basse, president of Chicago-based consultancy AgResource Co.

In the second half of October, only five U.S. Gulf grain vessels bound for east Asia transited the Panama Canal, while 33 sailed east to use the Suez Canal instead,

according to a U.S. Department of Agriculture (USDA) report. In the same period last year, 34 vessels used the Panama Canal while only seven used the Suez.

Some U.S. exporters have also been rerouting crop shipments to Asia to load from Pacific Northwest ports instead.

But that, too, comes at a higher cost as those facilities source grain mostly via rail as opposed to the cheaper barge-delivered loads supplying Gulf Coast exporters.

Only 56.8% of all U.S. corn exports in October were shipped from Gulf Coast ports this year, down from 64.9% in October 2022 and 72.1% in October 2021, according to USDA weekly export inspections data.

Government Actions and Policies

Corn Refiners Association - Trade Update

12th December 2023 CRT Trade Update -

- **Regional Trade Agreements:** After two decades, leaders in the EU and Mercosur are signaling that the EU-Mercosur trade agreement is close to conclusion. The WTO reviewed five new U.K. regional trade agreements that entered into force in 2021, and two from the European Free Trade Association that entered into force in 2020 and 2021.
- **U.S.-Mexico:** Secretary of Treasury Janet Yellen visited Mexico City last week and met with Mexican officials, including Mexican President Andrés Manuel López Obrador, to discuss the two countries' economic relationship and security.
- **Food Security:** The FAO Food Price Index, a measure of the monthly change in international prices of a basket of food commodities, held steady for November 2023.
- **Trade Policy:** Last week, 58 agriculture organizations sent a letter urging the U.S. International Trade Commission (USITC) to reconsider tariffs on Moroccan fertilizers due to the impact on family farms.
- **Trade Policy:** In the Unified Regulatory Agenda for Fall 2023, the Administration estimates publication of a final rule on (voluntary) U.S. origin claims by USDA/FSIS in March 2024.
- **Trade Trends:** The most recent projections from the USDA foresee an agricultural trade deficit of $30.5 billion, an increase from the $27.5 billion trade deficit forecast from the August outlook. This would constitute almost double the agricultural trade deficit for 2023, which the USDA estimates at $16.7 billion.
- **Trade Policy:** The President's Export Council (PEC) met last week with top White House officials. The meeting served to deliberate on recommendations related to the expansion of U.S. exports, including a series of recommendations on promoting U.S. agriculture trade.
- **WTO:** The WTO reports that the value of world merchandise trade covered by trade facilitating measures far exceeded that impacted by trade restrictive measures in the period between mid-October 2022 and mid-October 2023.
- **Climate and Environment:** On December 4th, COP held a designated Trade Day for the first time. The day featured several events oriented towards utilizing trade and technology transfers to help with meeting 2030 climate goals. USDA Secretary Tom Vilsack attended COP28 from Dec. 8-10 and emphasized the global benefits of current climate-focused U.S. investments.
- **Climate and Environment:** Last week at COP28, 134 world leaders signed the Declaration on Sustainable Agriculture, Resilient Food Systems, and Climate Action.
- **CRA Guest Blog:** The Corn Refiners Association's Trade and Economic Policy Intern Jacob Berch published a guest blog on the significance of the U.S.-Mexico bilateral relationship.

COP28's Food and Climate Outcomes

The final COP28 declaration won't include a detailed dive into agriculture and food, but U.S. Agriculture Secretary Tom Vilsack still said a lot was achieved over the past two weeks. COP28 -- officially the Conference of the Parties, the main decision-making body of the United Nations Framework Convention on Climate Change -- has been taking place in Dubai, United Arab Emirates, and concluded this week.

When it comes to agriculture and food, the United States, Canada and Mexico were among 157 nations that signed on to "Emirates Declaration on Sustainable Agriculture, Resilient Food Systems and Climate Action," declaring any pathway to achieving the goals of the Paris Agreement, a 2015 international treaty on climate change, must include lowering emissions from agriculture and food systems. Other key U.S. trading partners, such as China, Japan and South Korea, also signed the CCOP28 declaration.

At least 25 major agricultural and food companies agreed to scale up "regenerative agricultural practices" across 160 million hectares (395 million acres). Some of the major companies signed on to this agreement include ADM, Bayer, Bunge, Cargill, Louis Dreyfus, Nestle, PepsiCo, Rabobank and Syngenta. Further, *Reuters* stated eight of the world's top commodities traders have pledged to stop buying soy from farms that ruin South American grasslands, adding to previous commitments to shun growers who clear forests.

FAO Releases 'Road Map' to Cut GHG Emissions from Ag and Food Systems

The United Nations Food and Agriculture Organization (FAO) has released an ambitious roadmap to reduce greenhouse gas emissions from "agrifood systems" below the 1.5-degree Celsius threshold set by the 2016 Paris Agreement. FAO says it wants to reduce methane emissions 25% by 2030 compared to 2020 and achieve carbon neutrality by 2035. It also wants to transform agriculture and food systems into a carbon sink by 2050.

While livestock "serves as a crucial source of high-quality protein and essential micronutrients, and is vital for normal development and good health, especially within vulnerable or remote communities," the sector also directly contributes 26% of all agrifood system emissions (including enteric fermentation and manure)," the report says.

FAO Deputy Director-General Maria Helena Semedo said, "solutions such as improving animal health, breeding practices, reducing food loss and waste, and directly targeting GHG emissions have the potential to provide multiple benefits for people and the planet, but they require investments in the sector to narrow efficiency gaps, while meeting an increased global demand for animal protein."

Vilsack Meets with Mexico, Chile, France, UK Officials

Agriculture Secretary Tom Vilsack told *The Hagstrom Report* that he had held bilateral meetings with officials from Mexico, Chile, France and the United Kingdom on the sidelines of the COP28 meeting in Dubai, the United Arab Emirates.

Vilsack said he had emphasized the importance of science in the dispute with Mexico over genetically modified corn. But he added to reporters that the current administration in Mexico will leave office on September 30 and that he hopes whoever wins the Mexican presidency "will take a look at the science."

Vilsack said he made the case to Chilean officials that they should regionalize their approach to concerns about high path avian influenza in the United States in relationship to poultry imports, which is the practice on HPAI in other countries. He said the United States has been "deeply disappointed" in the Chilean position on poultry imports and "reassured them we are selling them a safe and appropriate product." He noted to reporters that Chile wants to export table grapes to the United States.

With French officials, Vilsack said he noted that forestry regulations that the European Union is considering requiring proof that a country must certify that the exported products do not come from deforested lands could have a negative effect on U.S. exports. He said he pointed out to the French that a higher percentage of U.S. land is covered with forests than in France.

Vilsack said he told the French, "We are not cutting down forests to plant crops, we shouldn't have to have the same onerous requirements to trace back that the products are not part of deforestation."

Vilsack said his discussions with United Kingdom officials focused on a collaboration on climate issues.

House Panel Urges Tougher Trade Rules for China

The House Select Committee on the Chinese Communist Party released a 53-page report this week, stopping just short of recommending the United States revoke China's permanent normal trade status, which essentially provides some limits on duties. Instead, the recommendations call for moving China to "a new tariff column that restores U.S. economic leverage." The report said the tariff increase should be done "over a relatively short period of time" to prevent "avoidable disruptions."

The report says USDA and the Office of the U.S. Trade Representative should "collaborate to determine alternative market access for agriculture exports that predominantly rely on the PRC market and offset the adverse effects of PRC retaliation" and "write an assessment of U.S. dependency on critical agricultural products or inputs that could be exploited in the event the PRC or another foreign country weaponizes any of these critical dependencies."

The report also says Congress should look to provide additional appropriations in the case of retaliation.

Ahead of the report's release, a coalition of farm groups appealed to the committee not to call for revoking China's PNTR status, saying that would "open up U.S. farmers and ranchers to immediate, additional retaliation from China." A letter to the committee signed by more than a dozen farm groups cited an Oxford Economics Report estimating Chinese retaliation would ultimately slash U.S. ag exports by 30%.

USTR Details U.S. Subsidy Increase

The U.S. has taken its first stab at reporting a massive expansion in U.S. government subsidies to the WTO under a slew of legislation passed since President Joe Biden took office, writes *Politico.*

"Additional information will be provided in subsequent notifications, once the amendments and new programs have been fully implemented and the program administrators are able to provide more complete information," USTR said in the report.

USTR does not provide, however, an overall tally of the hundreds of billions of dollars of new federal subsidies approved by Congress in 2022 under the Infrastructure Investment and Jobs Act, the Inflation Reduction Act, and the CHIPS and Science Act.

But the report does list dozens of new spending programs, including tax credits aimed at expanding the use of electric vehicles and renewable fuels and boosting domestic semiconductor production. There are also new subsidies for sustainable aviation fuel, clean hydrogen production and nuclear energy, among others. Older subsidy programs for agriculture, coal, oil, natural gas, lumber, fisheries, medical, metals, minerals and shipyards are also listed in the report.

For most of the new and old programs, the United States says it is "not possible to estimate what, if any, trade effects may result from the use of this provision." It leaves that task to other countries that could decide to challenge the measures.

Thompson Looks Toward March 2024 for Farm Bill

House Agriculture Committee Chairman Glenn "GT" Thompson said Thursday that he now hopes to move a new farm bill by March. Meanwhile, his staff has started briefing farm organizations and other groups this week on possible sources of funding that face resistance from Democrats.

"When I look at the calendar in the first quarter, the first month we get to that has the contiguous weeks that we need is March," Thompson told reporters this week. Thompson said the committee is facing funding requests totaling $70 billion to $100 billion above what is available in the current baseline for the farm bill.

The committee's top Democrat, David Scott (D-GA) issued a statement Thursday after the House wrapped up its work for the year blasting House Republicans for the lack of action so far on a new farm bill, despite new House Speaker Mike Johnson's plan to move the legislation in December.

➢ **State Ag Secretaries Pressure to Block Beef Imports from Paraguay**

While Senators Jon Tester (D-MT) and Mike Rounds (R-SD) push for a Congressional Review Act (CRA) resolution that would overturn the Biden administration's recent decision to lift a long-standing ban on beef imports from Paraguay, the secretaries of Agriculture from eight states sent their own letter to U.S. Agriculture Secretary Tom Vilsack. The letter came from the state secretaries of Iowa, Missouri, Nebraska, Ohio, Oklahoma, South Dakota, Texas and Wyoming.

"The U.S. is the largest, most reliable producer and consumer of beef in the world. We have the reputation of providing the safest and most efficient beef production system in the world. A FMD outbreak in the U.S. would severely impact our nation's economy and the people behind the product," the state secretaries wrote. "We urge USDA to consider pausing the implementation of this rule until a more reliable risk assessment can be completed based on modern visits in Paraguay."

Paraguay's cattle industry was hit by foot and mouth disease at the very end of 2011. The country implemented multiple rounds of vaccinations in its herd and the country has not had any new cases of FMD since 2012. Yet, Yet, APHIS admitted, "As long as FMD is endemic in certain areas of South America, there is a potential risk of reintroduction of the disease into the export area."

➢ **Durbin Leads Letter Urging Increase in USDA Research**

Senate Majority Whip Dick Durbin (D-IL) a member of the Senate Agriculture Committee, led 13 of his colleagues in sending a letter to Agriculture Secretary Thomas Vilsack and Director of the Office of Management and Budget (OMB) Shalanda Young, urging them to include in President Biden's fiscal year 2025 budget an increase in the Agriculture Department's research budget by at least 5%, plus inflation.

"As the president's fiscal year (FY) 2025 budget request is prepared, we request that an increase of at least 5%, plus inflation, above the FY 2024 funding levels proposed by the Senate, be provided across the board for all USDA research activities underway within the Agricultural Research Service, National Institute of Food and Agriculture, the Economic Research Service, and the National Agricultural Statistics Service," the senators wrote in the letter.

➢ **OSHA Announces Switch from Traditional Hard Hats to Safety Helmets**

The U.S. Department of Labor's Occupational Safety and Health Administration (OSHA) has announced that the agency is replacing traditional hard hats used by its employees with more modern safety helmets to protect them better when they are on inspection sites.

According to OSHA, safety helmets may also offer face shields or goggles to protect against projectiles, dust, and chemical splashes. Others offer built-in hearing protection and/or communication systems to enable clear communication in noisy environments.

In 2020, the Bureau of Labor Statistics reports head injuries accounted for nearly 6% of non-fatal occupational injuries involving days away from work.

Task Force Reports Progress in Reducing Nutrient Runoff to Gulf of Mexico

The latest report from the Environmental Protection Agency's Hypoxia Task Force concludes farmers and ranchers are making progress in reducing nitrogen runoff in the Mississippi River watershed, but additional efforts are needed to meet phosphorus load reduction goals.

The task force, which brings together federal agencies and 12 member states, has set the interim goal of reducing both nitrogen and phosphorus levels in the Mississippi River basin by 20% by 2025 and by 45% by 2035. The latest data indicates states have already met the 20% reduction goal for nitrogen, but total phosphorus loads have increased.

The HTF met in Fayetteville, Arkansas, Dec. 6 to discuss progress on – and obstacles to – improving water quality and reducing the hypoxic zone.

Groups Petition EPA to Cancel Glyphosate Registration

The Center for Food Safety, Beyond Pesticides and several farmworker advocacy groups are pushing the EPA to cancel glyphosate's registration in light of a federal court decision that found fault with the agency's human health assessment. The organizations filed an administrative petition with the agency Wednesday arguing the registration is illegal.

According to the petition, "as things now stand, EPA's human health assessment of glyphosate has been held unlawful and set aside, and the remainder of the [interim registration review decision] has been withdrawn."

That leaves glyphosate's current registrations relying on the 1993 Reregistration Eligibility Decision, which is "based on a risk assessment conducted 30 years ago that fails to account for the 10-fold increase in use driven largely by over-the-top applications of glyphosate to crops genetically engineered to resist it," the petition says.

Federal agencies can take their time responding to petitions. The Administrative Procedure Act requires only that they do so "within a reasonable time." CFS and the other petitioners said though they "will not hesitate to take EPA to court to compel a response."

International Crop & Weather Highlights

- **USDA/WAOB Joint Agricultural Weather Facility – 9th December 2023**

Europe – Continued Cold With More Rain And Snow

- Colder-than-normal weather continued over central, northern, and eastern Europe, though warmer temperatures returned at the end of the period.
- Moderate to heavy rain maintained adequate to abundant moisture reserves for dormant winter crops from northern Spain into England, France, and western Germany.
- Locally heavy showers in the Balkans erased lingering drought concerns, while light snow kept winter grains and oilseeds well insulated in eastern Germany, Poland, and the Baltic States.

Middle East – Warm With Moderate To Heavy Western Rain

- Warm weather kept winter wheat and barley from going dormant in Turkey and Iran; crops typically go dormant in early December.
- Moderate to heavy rain in Turkey and Syria boosted soil moisture for winter grain establishment.
- Dry weather in Iran increased soil moisture deficits in primary western and northern growing areas.

Northwestern Africa – Eastern Rain Contrasted With Western Drought

- Dry weather heightened drought concerns for winter grains in Morocco.
- Moderate to heavy showers in northeastern Algeria and northern Tunisia eased drought and improved wheat and barley prospects.

South Asia – Severe Cyclonic Storm Michaun

- A tropical cyclone tracked up eastern India producing widespread heavy showers and localized flooding but overall benefiting rabi crops.

East Asia – Dry, Unseasonably Warm

- Dry weather prevailed across eastern wheat and rapeseed areas of China, with unseasonable warmth increasing moisture demands.

Southeast Asia – Improved Moisture Conditions In Java, Indonesia

- The rainy season was well established across the bulk of Java, Indonesia, after a lengthy delay, aiding establishment of rice and other seasonal crops.

Australia – Winter Crop Harvesting Regained Momentum

- In the wake of recent soaking rains, drier weather overspread the south and east, allowing winter crop harvesting to regain momentum and encouraging additional sorghum planting.
- In the west, seasonably warm, dry weather favored wheat, barley, and canola harvesting.

South America – Showers Continued Throughout Most Major Summer Crop Areas

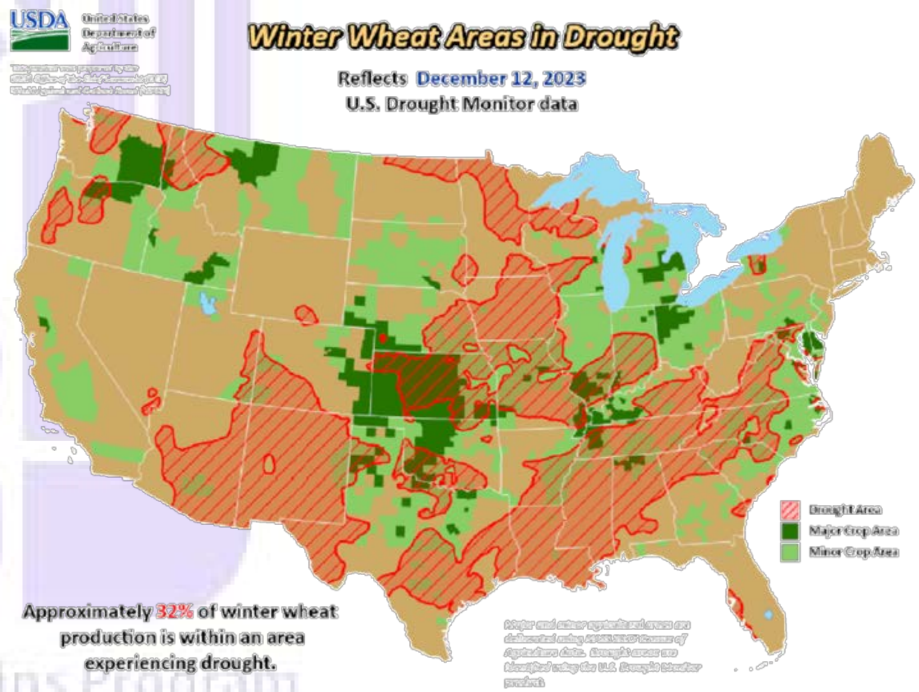
- Warm, showery weather maintained overall favorable corn and soybean prospects in southern Brazil.
- Showers were generally lighter farther north, although the rainy weather prevented a return of stressful temperatures.
- In Argentina, conditions remained overall favorable for emerging summer grains, oilseeds, and cotton.

South Africa – Rain Returned To Eastern Farming Areas, But Western Corn Areas Remained Dry

- Rain brought much-needed relief from warmth and dryness to eastern sections of the corn belt, as well as sugarcane areas in KwaZulu-Natal, but heat and dryness persisted in western sections of the corn belt.

Source: USDA https://www.usda.gov/oce/weather-drought-monitor/publications

- **U.S. Agricultural Weather Highlights – Friday the 15th of December 2023**



In the West, some fog and air-stagnation issues linger across the northern half of the region beneath a sprawling area of high pressure. Otherwise, mild, dry weather is promoting fieldwork, especially in winter agricultural areas of California and the Desert Southwest.
On the Plains, rain lingers early today from eastern Kansas to central Texas. Meanwhile, wet snow is ending across the central and southern High Plains. In drought-affected areas of the central and southern Plains, improved soil moisture is benefiting rangeland, pastures, and winter wheat. Across the remainder of the region,

including the northern Plains, mild, dry weather is maintaining generally favorable conditions for overwintering wheat.

In the Corn Belt, scattered showers extend southwestward from the upper Great Lakes region. Due to unusually mild weather, rain is falling as far north as Lake Superior. Meanwhile in the eastern Corn Belt, mild, dry weather continues to promote late-season fieldwork, including final corn harvest efforts. Today's high temperatures should reach 60°F as far north as the lower Ohio Valley.

In the South, showers are confined to southern Florida. Elsewhere, dry weather favors late-season fieldwork in advance of an approaching storm system. In addition, warmth has returned across areas from the Mississippi Delta westward, with today's high temperatures expected to exceed 75°F in Deep South Texas.

Outlook: A storm system departing the nation's mid-section will begin to re-form later today over the Gulf of Mexico. Following a period of intensification, the system will drift northeastward, reaching the coastal Carolinas early Sunday and New England on Monday. Storm-total rainfall could reach 2 to 4 inches or more in the Atlantic Coast States, with flooding possible across parts of the lower Southeast. Meanwhile, the Midwest will receive mostly light rain, or rain changing to snow. In the storm's wake, colder air will briefly overspread the Midwest and Northeast, with snow squalls developing in portions of the Appalachians and downwind of the Great Lakes. Farther west, dry weather will prevail during the next 5 days across the Rockies, Southwest, and High Plains. In the Far West, however, encroaching Pacific storminess will lead to increasingly showery weather, starting late in the weekend, especially across northern and central California.

The NWS 6- to 10-day outlook for December 20th – 24th calls for the likelihood of near- or below-normal temperatures in the Atlantic Coast States as far north as Massachusetts, while warmer-than-normal weather will cover the remainder of the country. Meanwhile, near- or below-normal precipitation throughout the northern U.S. and from the Mississippi River eastward should contrast with wetter-than-normal conditions from central and southern California to the central and southern Plains.

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)

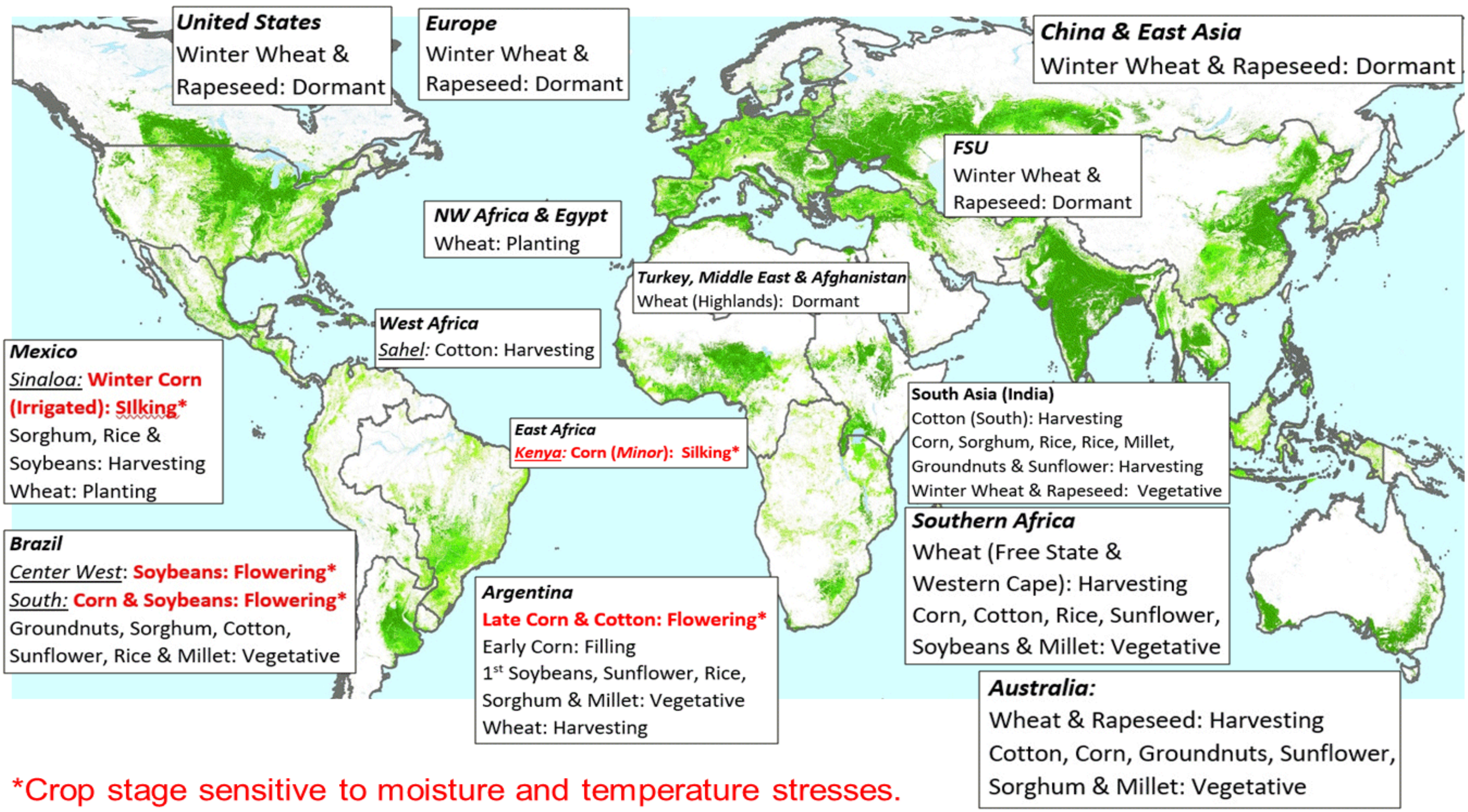
MY - refers to the 12-month period at the onset of the main harvest, when the crop is marketed (i.e., consumed, traded, or stored). The year first listed begins a country's marketing year for that commodity (2021/22 starts in 2021); except for summer grains in certain Southern Hemisphere countries and 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.

- **USDA FAS OGA Current Crop Calendar**

December Crop Calendar



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https://ipad.fas.usda.gov/ogamaps/images/dec_calendar.gif