

2022 Grain Market Outlook

K-State CropTalk Webinar Series

Monday, March 14, 2022

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Department of Agricultural Economics



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I. Grain Futures Closes, Changes & Market Carry on Friday, March 11, 2022

Corn Futures				Soybean Futures				Kansas HRW Wheat Futures			
Month	Close	Change	Carry /mo	Month	Close	Change	Carry /mo	Month	Close	Change	Carry /mo
Mar ^D 22	\$7.64 ½	↑ \$0.06 ¾	---	Mar ^D 22	\$16.90 ¾	↓ \$0.09 ¼	---	Mar ^D 22	\$10.75 ¾	↑ \$0.23 ½	---
May ^I 22	\$7.62 ½	↑ \$0.06 ¾	-\$0.01	May ^I 22	\$16.76	↓ \$0.10 ¼	-\$0.07 ³⁷⁵	May ^I 22	\$10.89 ¼	↑ \$0.23 ½	\$0.06 ¾
July 22	\$7.28 ¾	↑ \$0.02 ¾	-\$0.16 ⁸⁷⁵	July 22	\$16.51 ¼	↓ \$0.08 ¼	-\$0.12 ³⁷⁵	July ^H 22	\$10.81	↑ \$0.23 ¾	-\$0.04 ¹²⁵
Sept 22	\$6.77	↓ \$0.00 ¾	-\$0.25 ⁷⁵	Aug 22	\$16.10 ¼	↓ \$0.02 ½	-\$0.41	Sept 22	\$10.69	↑ \$0.23 ½	-\$0.06
Dec ^H 22	\$6.55 ¼	↑ \$0.03 ½	-\$0.07 ²⁵	Sep 22	\$15.34	↓ \$0.02 ½	-\$0.76 ²⁵	Dec 22	\$10.61 ¼	↑ \$0.23 ½	-\$0.02 ⁵⁸³
Mar 23	\$6.52 ¾	↑ \$0.03 ¾	-\$0.08 ³³³	Nov ^H 22	\$14.91	↓ \$0.01 ¼	-\$0.21 ⁵⁰	Mar 23	\$10.37	↑ \$0.23	-\$0.08 ¹⁶⁷
May 23	\$6.50	↑ \$0.03 ½	-\$0.01 ²⁵	Jan 23	\$14.75	↓ \$0.01	-\$0.08	May 23	\$9.67	↑ \$0.25 ½	-\$0.25
July 23	\$6.46 ¼	↑ \$0.02 ¾	-\$0.01 ⁸⁷⁵	Mar 23	\$14.31 ¼	↑ \$0.02 ¼	-\$0.21 ⁸⁷⁵	July 23	\$8.17 ¼	↑ \$0.23 ¾	-\$0.74 ⁸⁷⁵

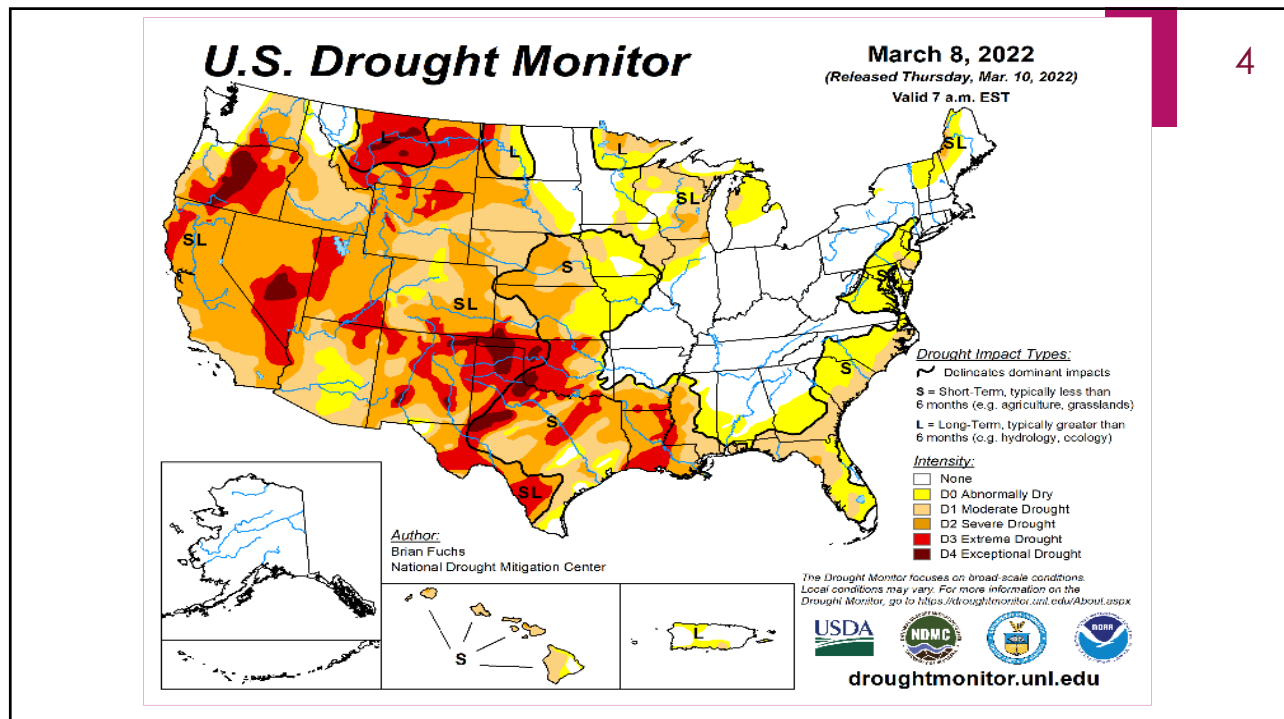
Our Focus.....

1) Key Grain Market Factors in 2022-2023

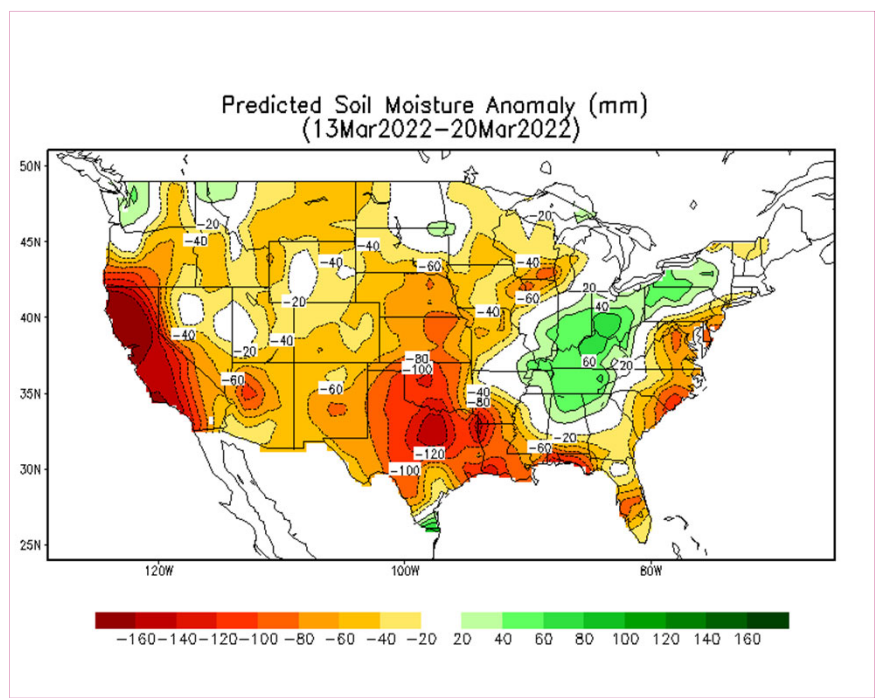
- Supply-Demand Issues U.S.-World ⇒ “tight” Stocks/Use - “high” Price\$

2) Grain Market Analysis & Outlook

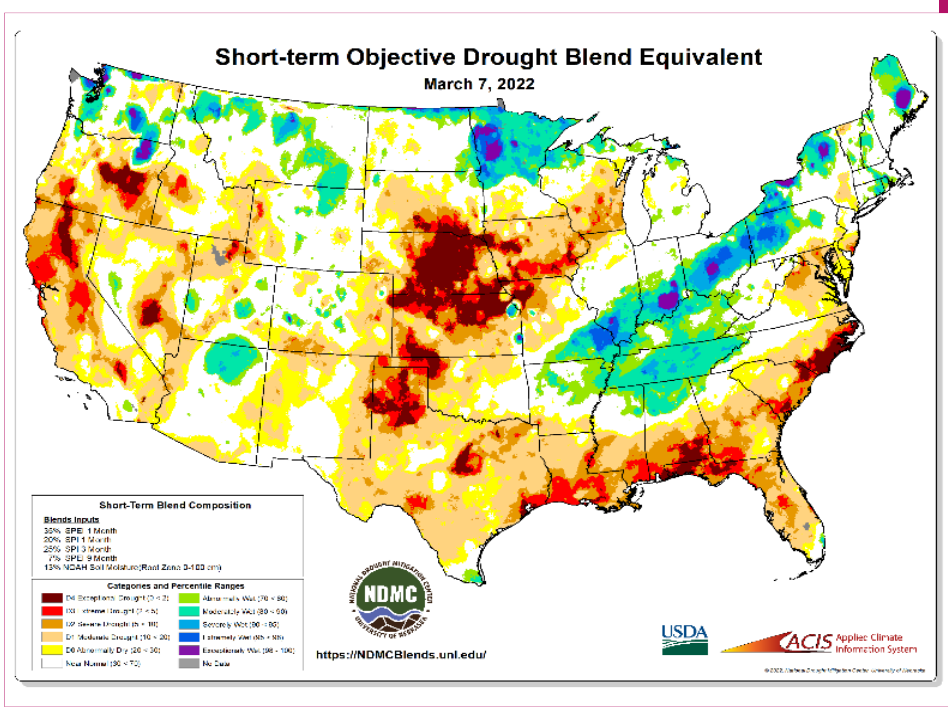
- Corn
- Sorghum
- Wheat
- Soybeans

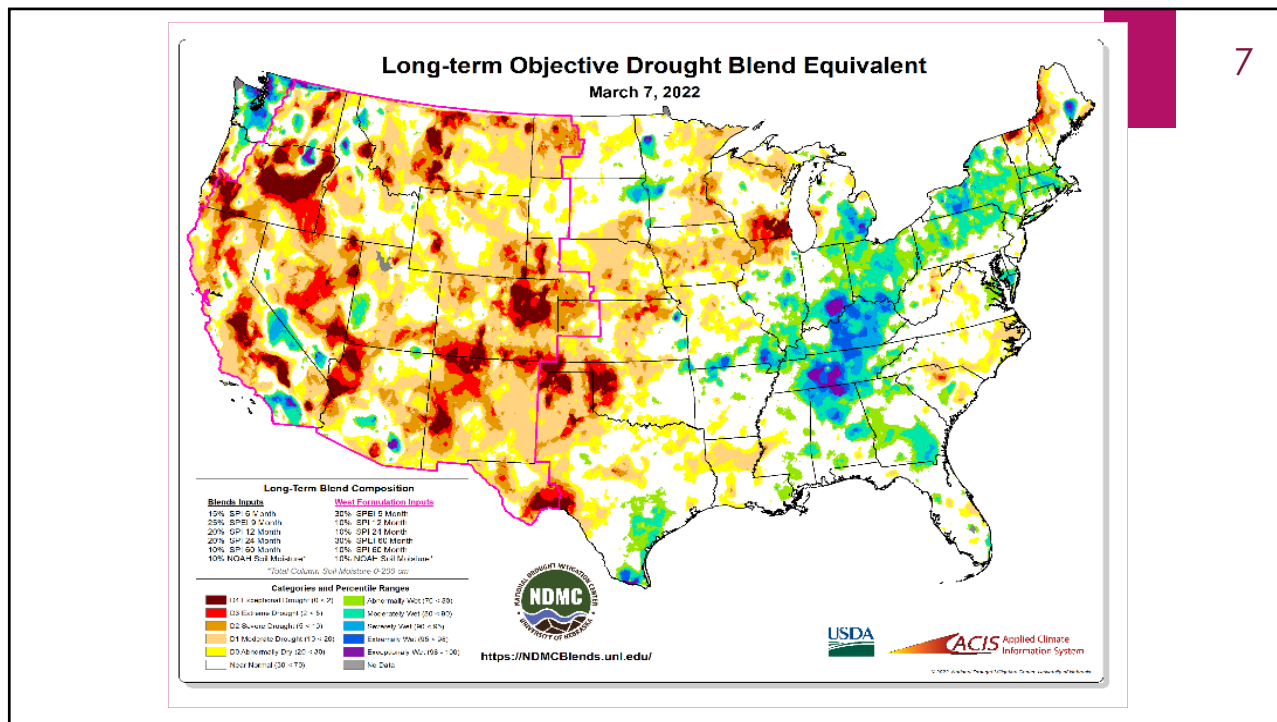


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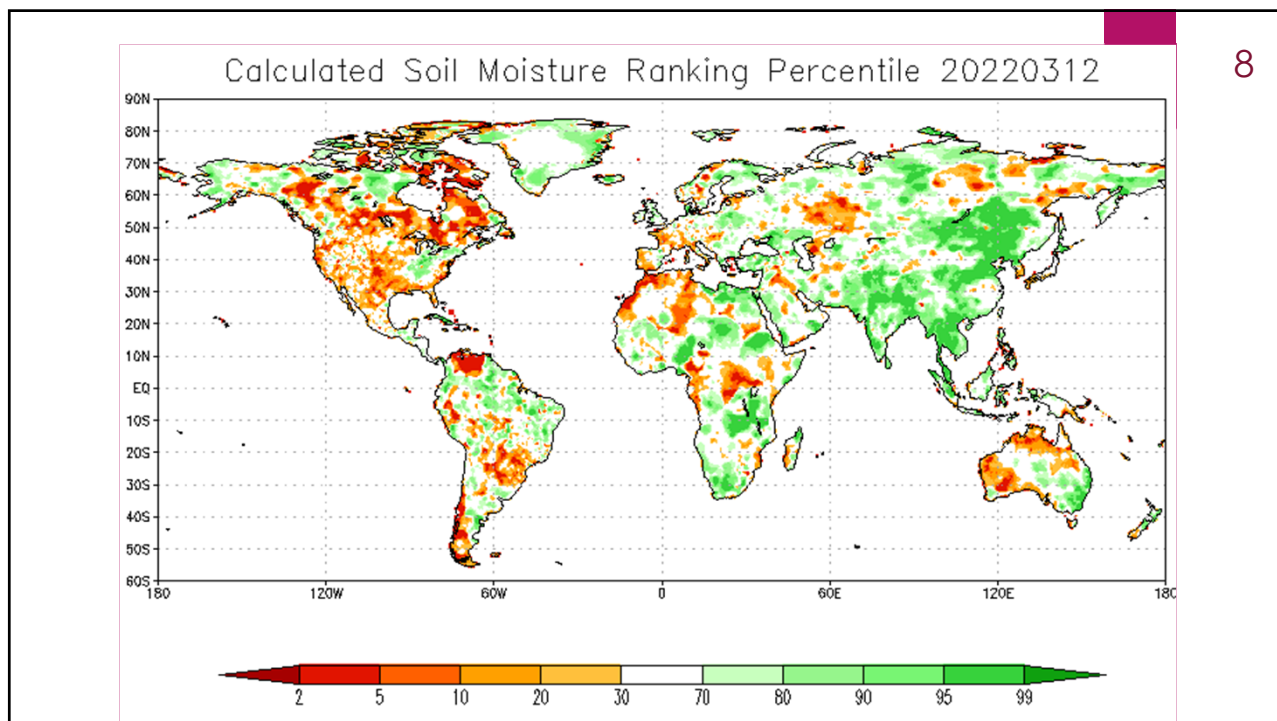


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Anticipating 2022 U.S. Crop Acres

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□ U.S. Crop Plantings for 2022

- **Wheat** ²⁰²²⁻²³ **48.0 mln ac** ➔ Up 2.8% vs 46.7 ma²⁰²¹
- **Soybeans** ²⁰²² **88.0 mln ac** ➔ Up 0.9% vs 87.2 ma²⁰²¹
- **Corn** ²⁰²² **92.0 mln ac** ➔ Down 1.5% vs 93.4 ma²⁰²¹
- **Sorghum** ²⁰²² **6.5 mln ac** ➔ Down 11.0% vs 7.3 ma²⁰²¹
- **Cotton** ²⁰²² **Up+?** ➔ Strong MY 2021/22 Markets, moisture?

Q?: Has recent price strength changed farmer's planting intentions?

Corn & Sorghum Markets

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U.S. Corn S/D & Stocks USDA Outlook Conf, February 2022

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□ Corn: “OK” Stocks & % S/U @ \$5.00 /bu U.S. Farm\$?????

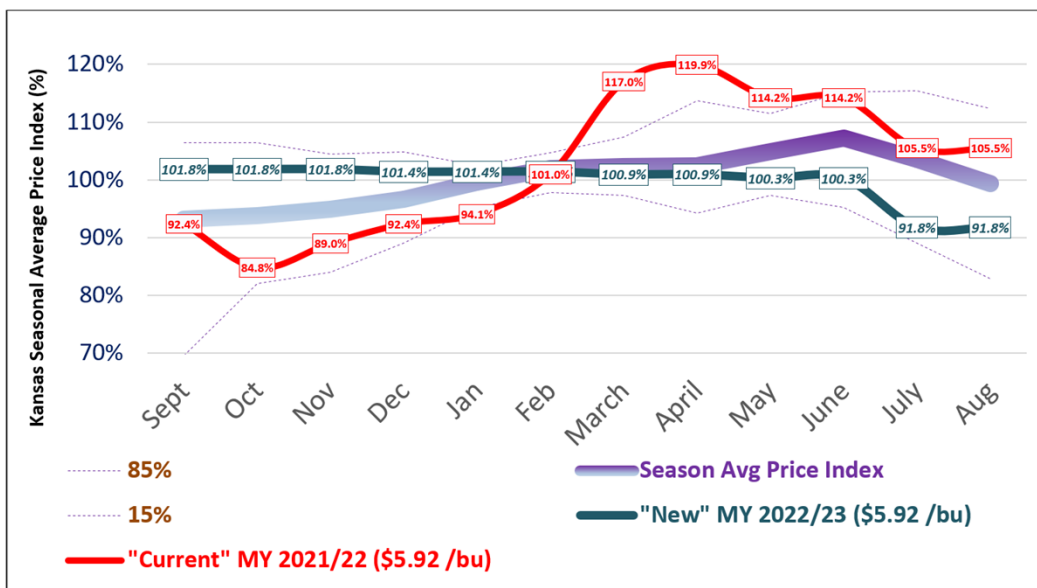
- **Production** 2022/23 ⇒ **15.240 bln bu** (vs **15.115 bb** last year)
- **Ending Stocks** 2022/23 ⇒ **1.865 bln bu** (vs **1.440 bb** last year)
- **% Stocks/Use** 2022/23 ⇒ **12.6% S/U** (↑ vs **9.6% S/U** last year)
- **U.S. Farm \$** 2022/23 ⇒ **\$5.00 /bu** (**\$4.53 & \$5.65** last 2 years)



Kansas Corn Seasonal Prices: MY 1999/00 – MY 2019/20 plus “Current

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Crop” MY 2021/22 & “New Crop” MY 2022/23 as of March 11, 2022



Daily CME MAY 2022 Corn Futures

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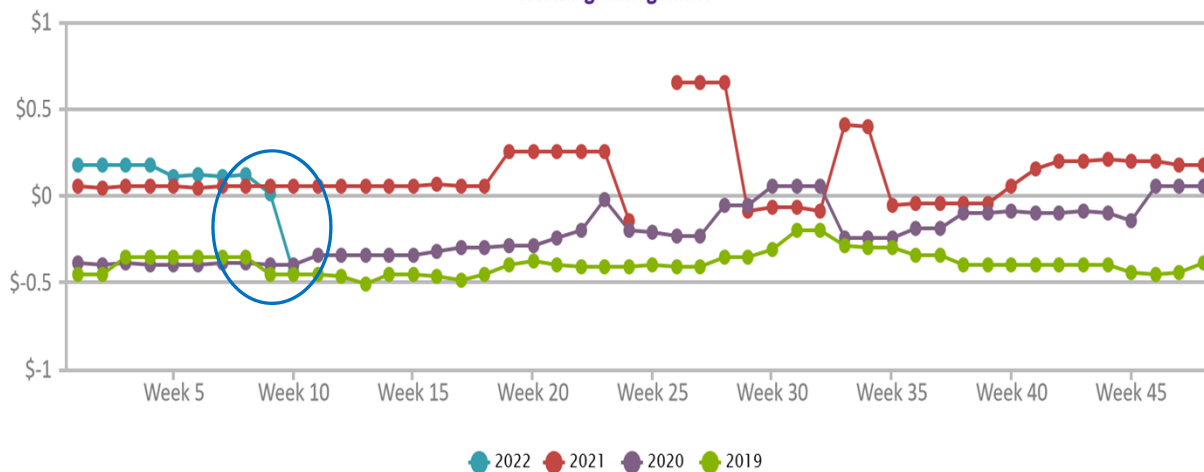
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Kansas Cash & Futures Prices						
Date						
3/11/2022						
Grain Futures Contracts	Closing \$					
MAY 2022 Corn ^(Lead contract)	\$7.6250					
DEC 2022 Corn ^(2022 Harvest Contract)	\$6.5525					
3/11/2022 Cash Grain & Harvest Contract Prices @ Kansas Grain Elevators						
<i>Representing the highest bids available at each location</i>						
Cash Market Spot & FC Bids	Colby	Salina	Topeka	Garden City	Hutchinson	Columbus ^{Area}
	NW KS	NC KS	EC-NE KS	SW KS	SC KS	SE KS
Corn Spot Cash\$	\$7.63	\$7.09	\$7.63	\$8.08	\$7.32	\$7.63
<i>Corn Spot Cash Basis</i>	\$0.00	(\$0.54)	\$0.00	\$0.45	(\$0.31)	\$0.00
Corn Harvest FC\$: Fall²⁰²²	\$6.35	\$6.35	\$6.25	\$6.70	\$6.40	\$6.30
<i>Corn Harvest FC\$ Basis</i>	(\$0.20)	(\$0.20)	(\$0.30)	\$0.15	(\$0.15)	(\$0.25)

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HAYS , KS: Corn Basis - MIDLAND MARKETING

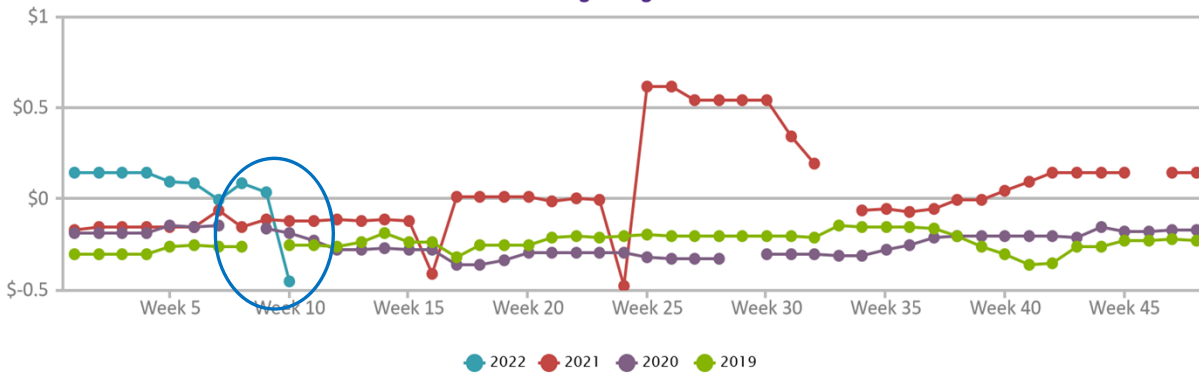
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SALINA, KS: Corn Basis - CARGILL

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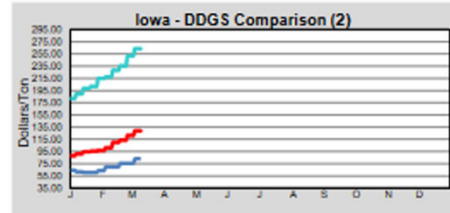
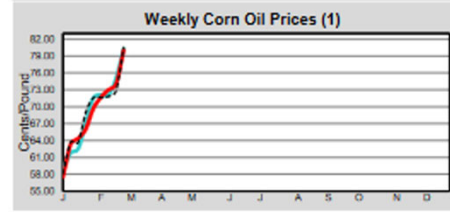
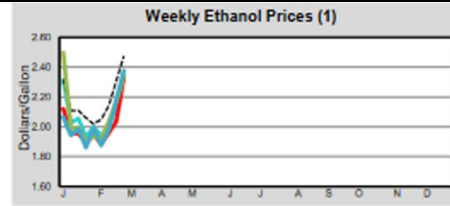
USDA Daily Ethanol Report
 Agricultural Marketing Service
 Livestock, Poultry & Grain Market News

Fri. Mar 11, 2022

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US #2 Yellow Corn - dollars/bushel

	Cash Bids	Chg	Basis	Avg:
Iowa-Eastern:	7.0600 - 7.3100	↑	-20N to 5N	-17.42
Iowa-Western:	7.0575 - 7.4000	↑	-50K to 14N	-11.64
Illinois:	7.3000 - 7.5575	↑	4N to OptK	1.83
Indiana:	6.9600 - 7.3600	↑	-30N to 10N	-17.50
Ohio:	7.0100 - 7.2600	↑	-25N to OptN	-16.67
Michigan:	6.9600 - 7.0575	↑	-30N to -50K	-36.67
Kansas:	7.4075 - 7.5575	↑	-15K to OptK	-8.87
Minnesota:	6.9600 - 7.2100	↑	-30N to -5N	-21.83
Nebraska:	7.0075 - 7.3100	↑	-55K to 5N	-13.67
Wisconsin:	6.8400 - 7.0600	↑	-42N to -20N	-42.80
South Dakota:	6.9375 - 7.2700	↑	-62K to 1N	-12.67
Missouri:	7.1575 - 7.4600	↑	-40K to 20N	-2.50

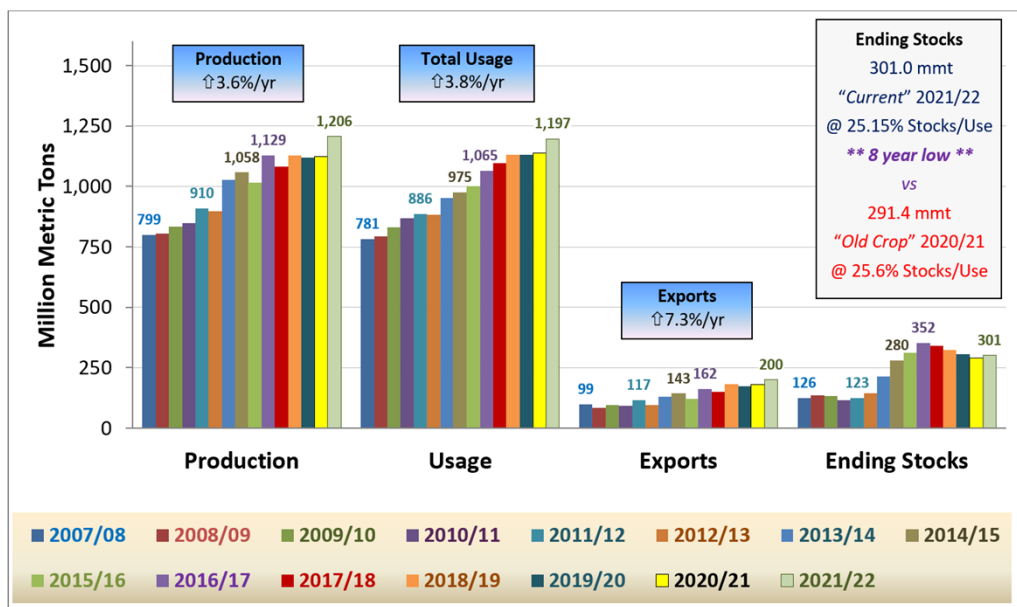


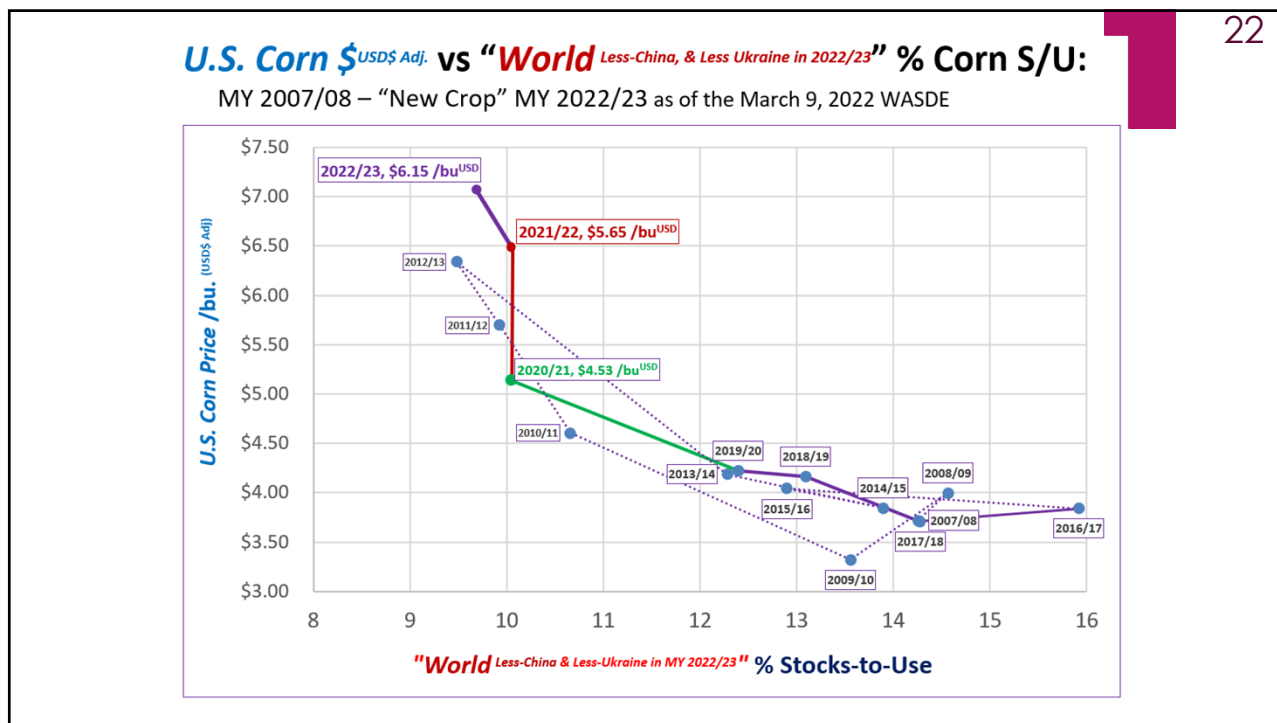
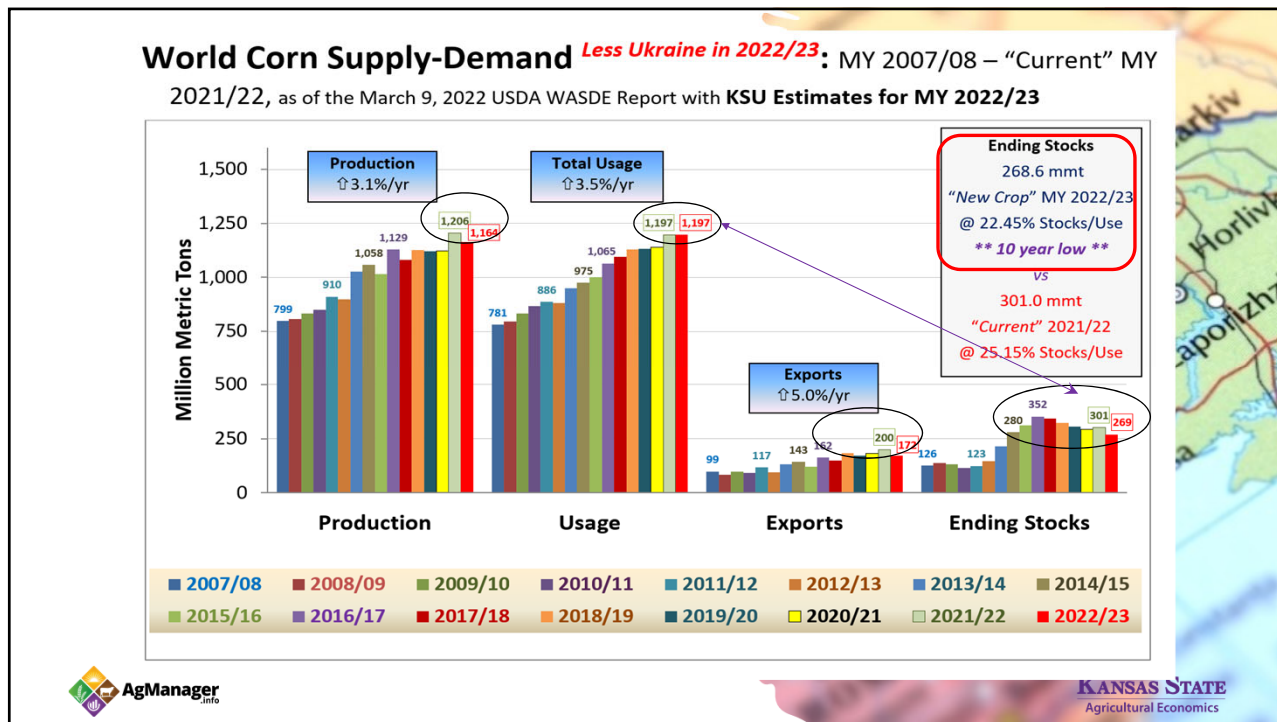
(1) IA - NE --- ECB - SD - KS
 (2) Dried - Modified - Wet

U.S. Corn Exports: “Bullish” short-term corn shipments with “Bullish” long-term “New Crop” MY 2021/22 total sales

- **Weekly Export Shipments week of 3/3/2022 = 69.4 mb (Bullish)**
vs 54.5 mb/wk needed to meet USDA’s March 9th projn of **2.500 bb exports**
- **Total shipments through 3/3/2022 for “New Crop” MY 2021/22 = 1.083,9 mb**
i.e., 43.4% of **2.500 bb** USDA projn with 50.0% of MY complete (26/52 weeks)
- **Total sales through 3/3/2022 for “New Crop” MY 2021/22 = 1.976,3 bb (Bullish)**
i.e., 79.05% of **2.500 bb** USDA projn w. 50.0% of MY complete (26/52 weeks)

World Corn Supply-Demand: MY 2007/08 – “Current” MY 2021/22, as of the March 9, 2022 USDA WASDE Report

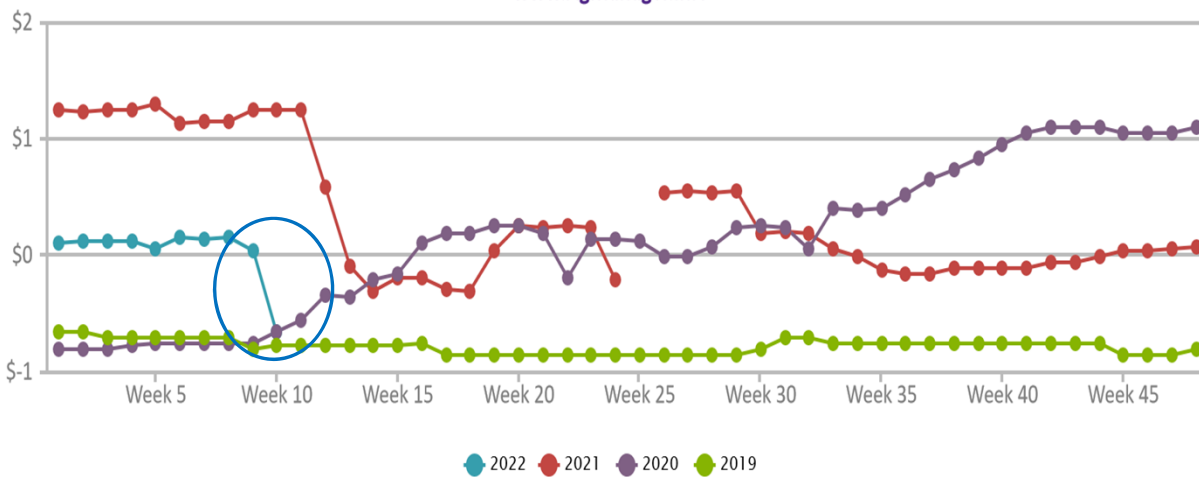


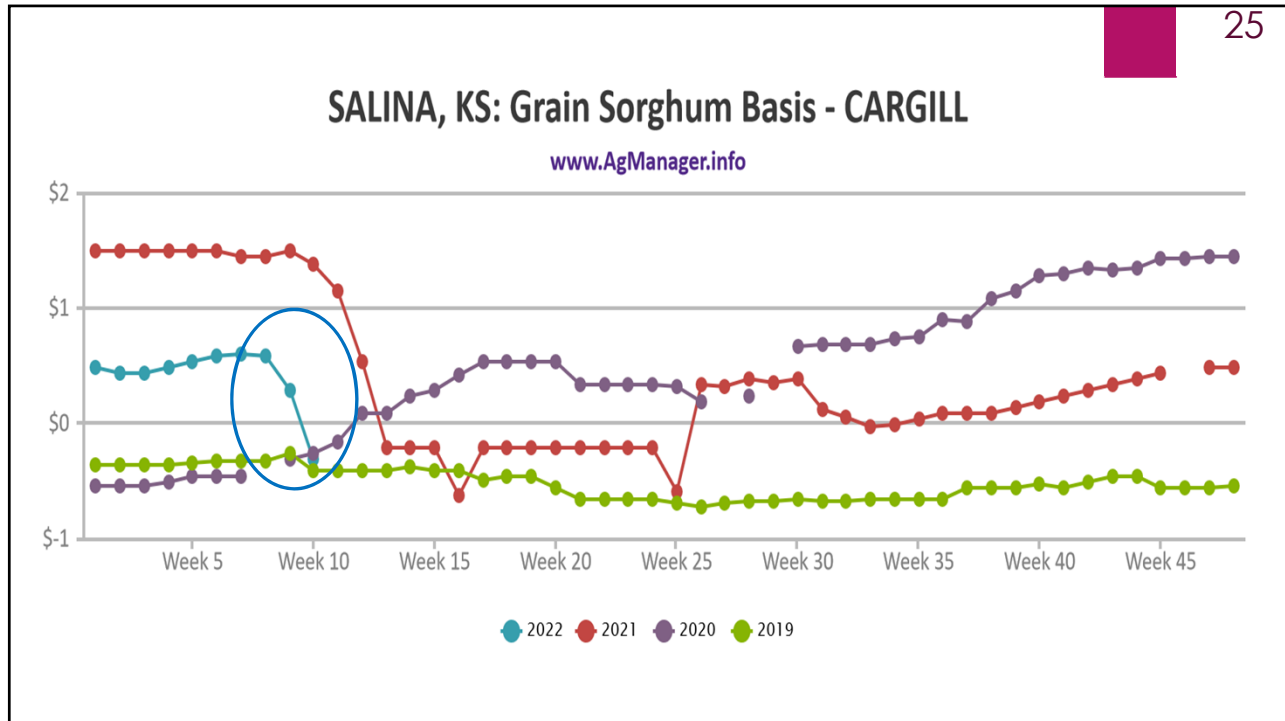


Kansas Cash & Futures Prices						
Date						
3/11/2022						
Grain Futures Contracts						
						Closing \$
MAY 2022 Corn ^(Lead contract)						\$7.6250
DEC 2022 Corn ^(2022 Harvest Contract)						\$6.5525
3/11/2022						
Cash Grain & Harvest Contract Prices @ Kansas Grain Elevators						
Representing the highest bids available at each location						
Cash Market Spot & FC Bids	Colby	Salina	Topeka	Garden City	Hutchinson	Columbus ^{Area}
	NW KS	NC KS	EC-NE KS	SW KS	SC KS	SE KS
Corn Spot Cash\$	\$7.63	\$7.09	\$7.63	\$8.08	\$7.32	\$7.63
<i>Corn Spot Cash Basis</i>	\$0.00	(\$0.54)	\$0.00	\$0.45	(\$0.31)	\$0.00
Corn Harvest FC\$: Fall ²⁰²²	\$6.35	\$6.35	\$6.25	\$6.70	\$6.40	\$6.30
<i>Corn Harvest FC\$ Basis</i>	(\$0.20)	(\$0.20)	(\$0.30)	\$0.15	(\$0.15)	(\$0.25)
Grain Sorghum Spot Cash\$	\$7.40	\$7.23	\$7.23	\$7.53	\$7.29	\$7.57
<i>Sorghum Spot Cash Basis</i>	(\$0.23)	(\$0.40)	(\$0.40)	(\$0.10)	(\$0.34)	(\$0.05)
Grain Sorghum Harvest FC\$: Fall ²⁰²²	\$6.60	\$6.35	\$6.35	\$6.20	\$6.35	\$6.15
<i>Sorghum Harvest FC\$ Basis</i>	\$0.05	(\$0.20)	(\$0.20)	(\$0.35)	(\$0.20)	(\$0.40)

HAYS , KS: Grain Sorghum Basis - MIDLAND MARKETING

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U.S. Grain Sorghum Exports: *“Positive”* short-term shipments & *“Bullish”* sales in *“New Crop”* MY 2021/22

- Weekly Export Shipments week of 3/3/2022 for MY 2021/22 = 8.113 mb *(Positive)* vs 7.40 mb/wk needed to meet USDA’s March 9th projn of **310 mb exports**
- Total shipments through 3/3/2022 for “New Crop” MY 2021/22 = 117.6 mb i.e., 37.9% of **310 mb** USDA projn with 50.0% of MY complete (26/52 weeks)
- Total sales through 3/3/2022 for “New Crop” MY 2021/22 = 262.8 mb *(Bullish)* i.e., 87.8% of **310 mb** USDA projn w. 50.0% of MY complete (26/52 weeks)

Wheat Markets

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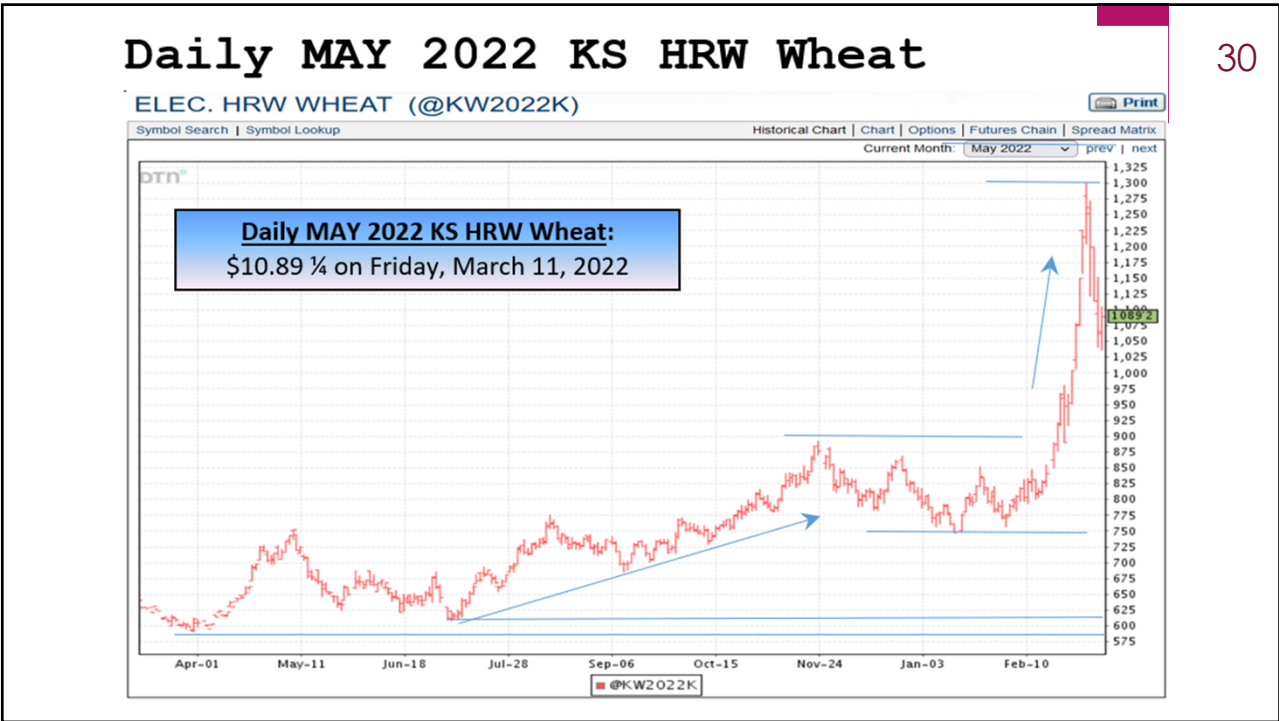
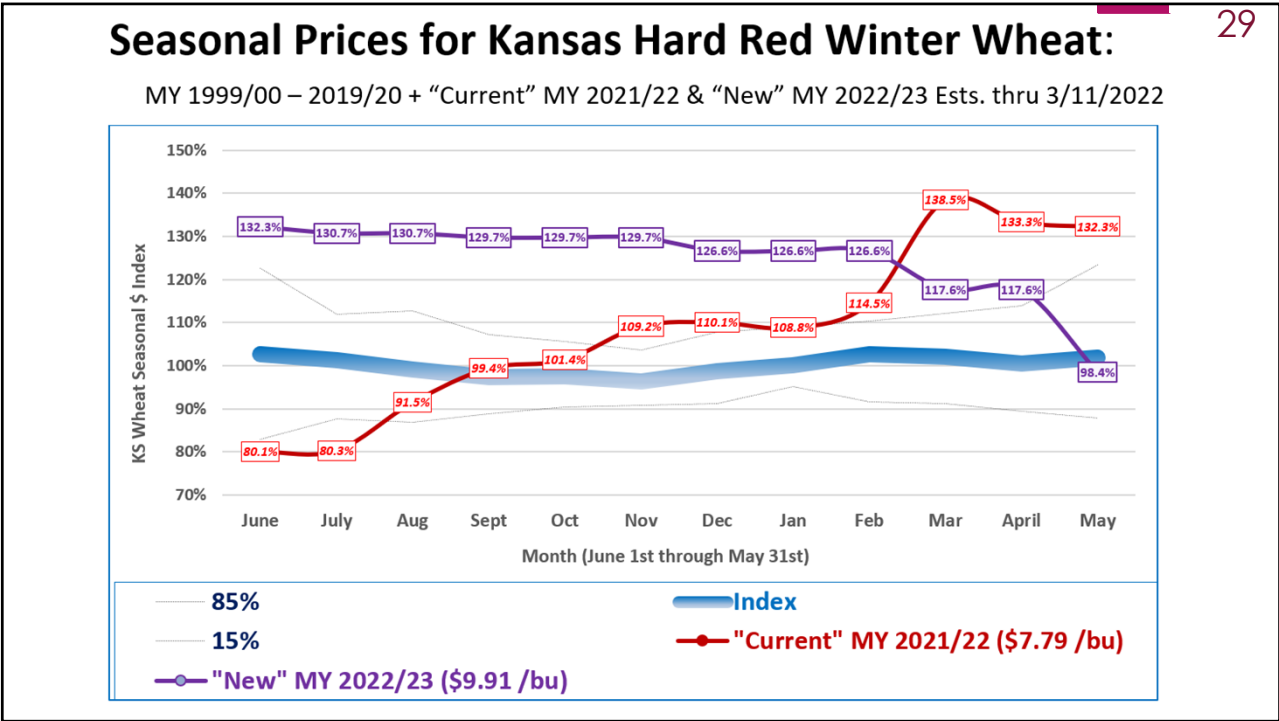
U.S. Wheat S/D & Stocks

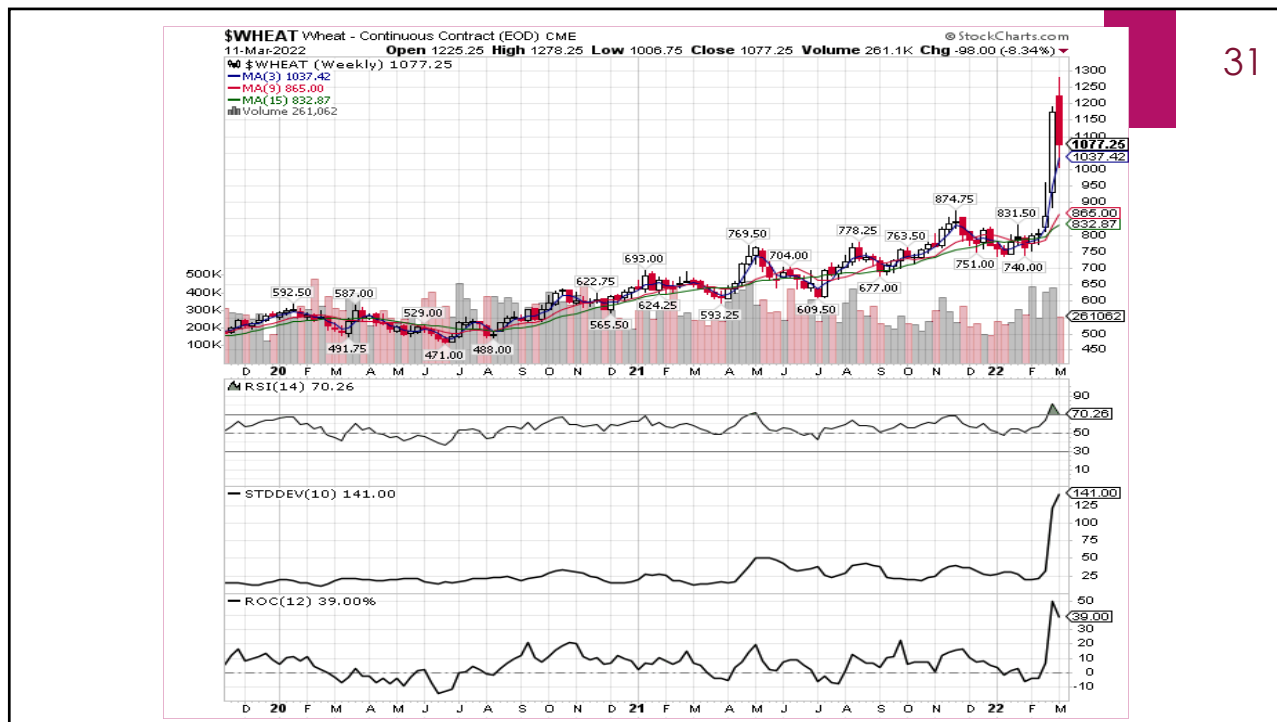
USDA Outlook Conf, Feb. 2022
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□ **Wheat: “OK” Stocks & % S/U @ \$6.80 /bu^{U.S. Farm\$} ??????**

- **Production** 2022/23 ⇒ **1.940 bln bu** (vs **1.646 bb** last year)
- **Ending Stocks** 2022/23 ⇒ **736 mln bu** (vs **653 mb** last year)
- **% Stocks/Use** 2022/23 ⇒ **37.2% S/U** (↑ vs **33.8% S/U** last year)
- **U.S. Farm \$** 2022/23 ⇒ **\$6.80 /bu** (**\$5.05 & \$7.50** last 2 years)

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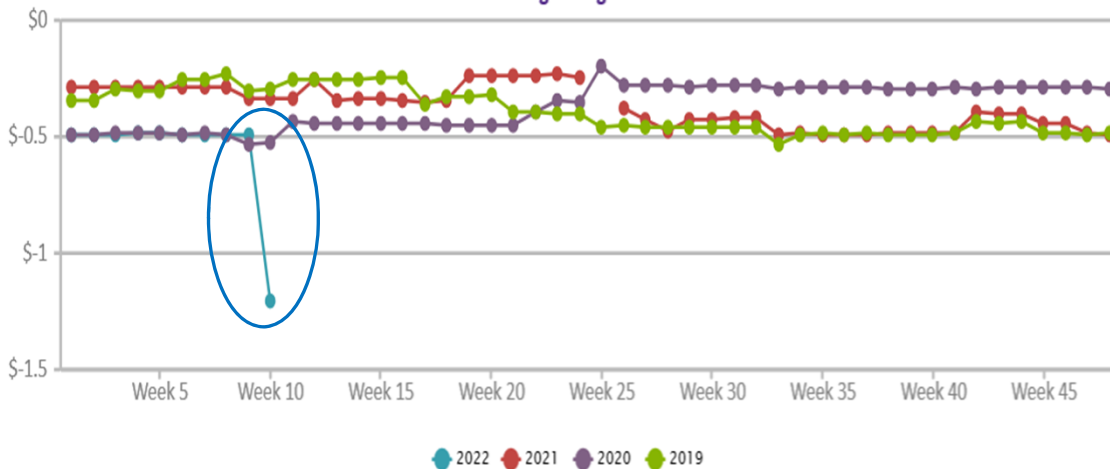
Kansas Cash & Futures Prices						
Date						
3/11/2022						
Grain Futures Contracts		Closing \$				
MAY 2022 KC HRW Wheat (Lead Contract)		\$10.8925				
JULY 2022 KC HRW Wheat (Harvest Contract)		\$10.8100				
3/11/2022 Cash Grain & Harvest Contract Prices @ Kansas Grain Elevators						
Representing the highest bids available at each location						
Cash Market Spot & FC Bids	Colby	Salina	Topeka	Garden City	Hutchinson	Columbus ^{Area}
	NW KS	NC KS	EC-NE KS	SW KS	SC KS	SE KS
KC HRW Wheat Spot Cash\$	\$9.81	\$10.56	\$10.56	\$10.04	\$10.56	\$9.99
HRW Wheat Spot Cash Basis	(\$1.08)	(\$0.33)	(\$0.33)	(\$0.85)	(\$0.33)	(\$0.90)
KC HRW Wheat FC\$ - Harvest²⁰²²	\$9.81	\$10.44	\$10.36	\$10.11	\$10.56	\$9.46
HRW Wheat Harvest FC\$ Basis	(\$1.00)	(\$0.37)	(\$0.45)	(\$0.70)	(\$0.25)	(\$1.35)

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HAYS, KS: Hard Red Winter Wheat Basis - MIDLAND MARKETING

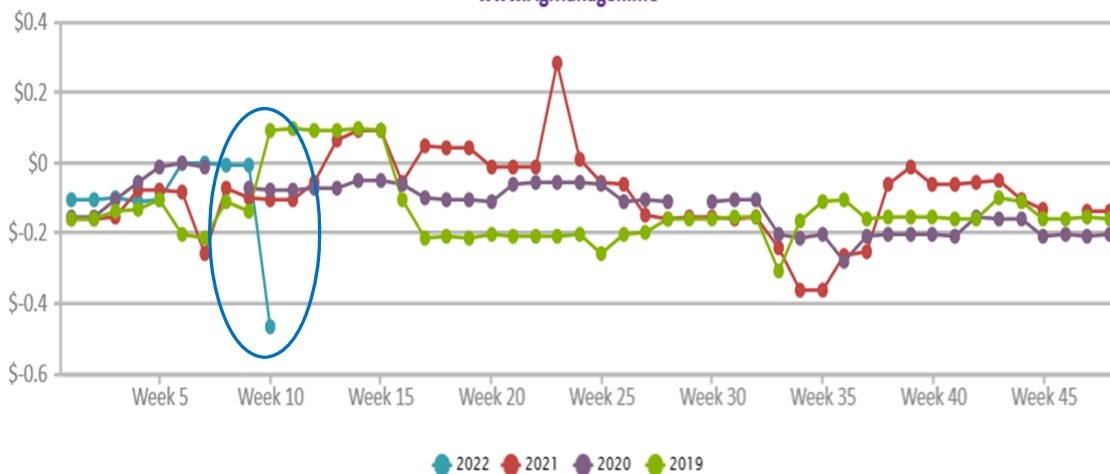
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SALINA, KS: Hard Red Winter Wheat Basis - CARGILL

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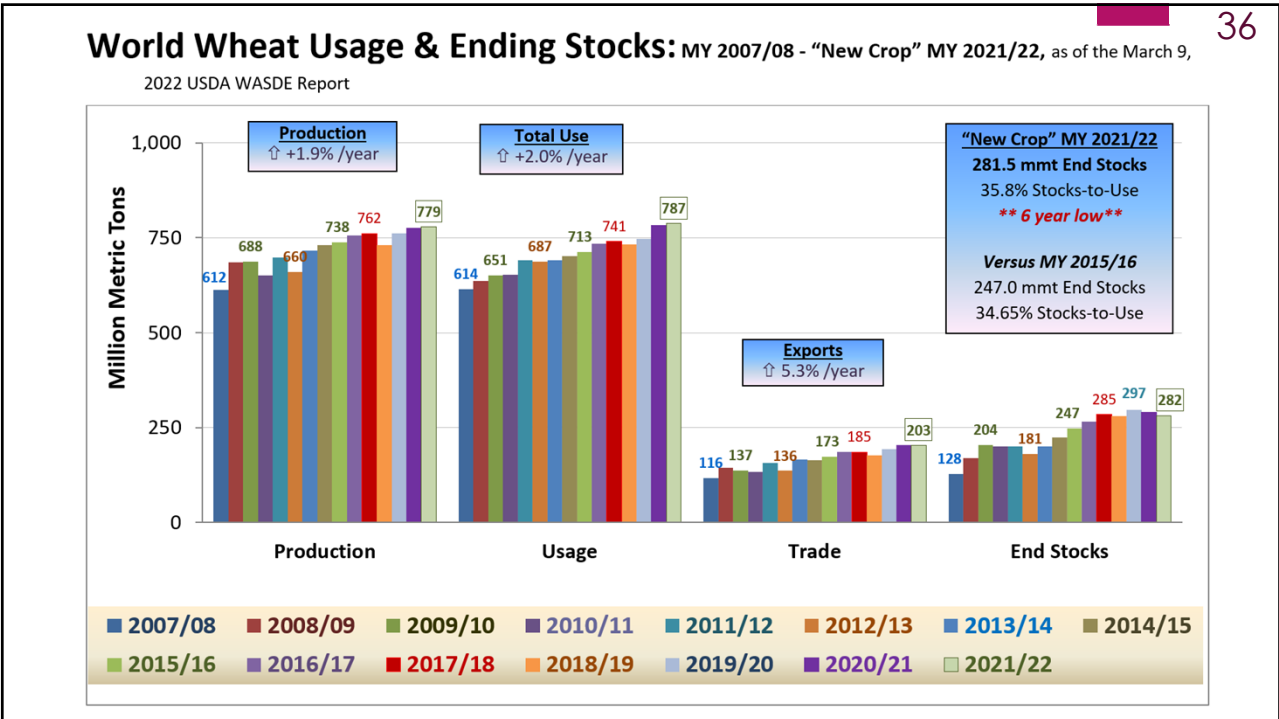
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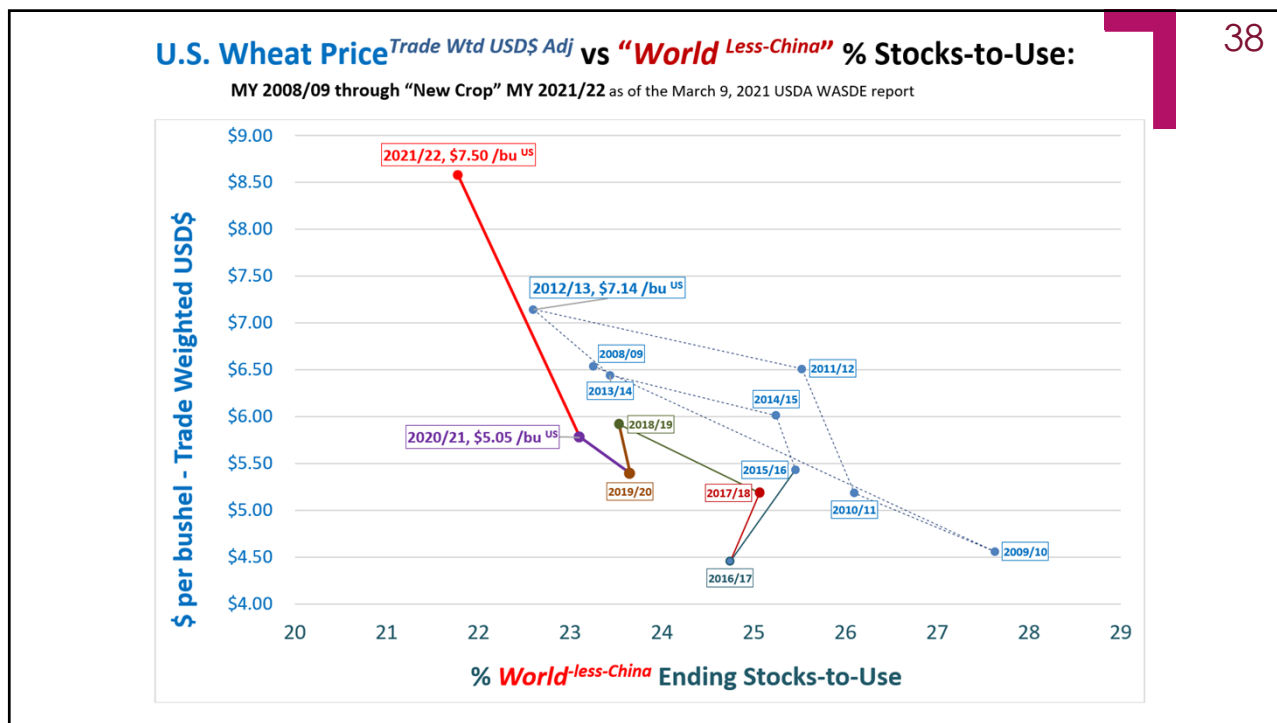
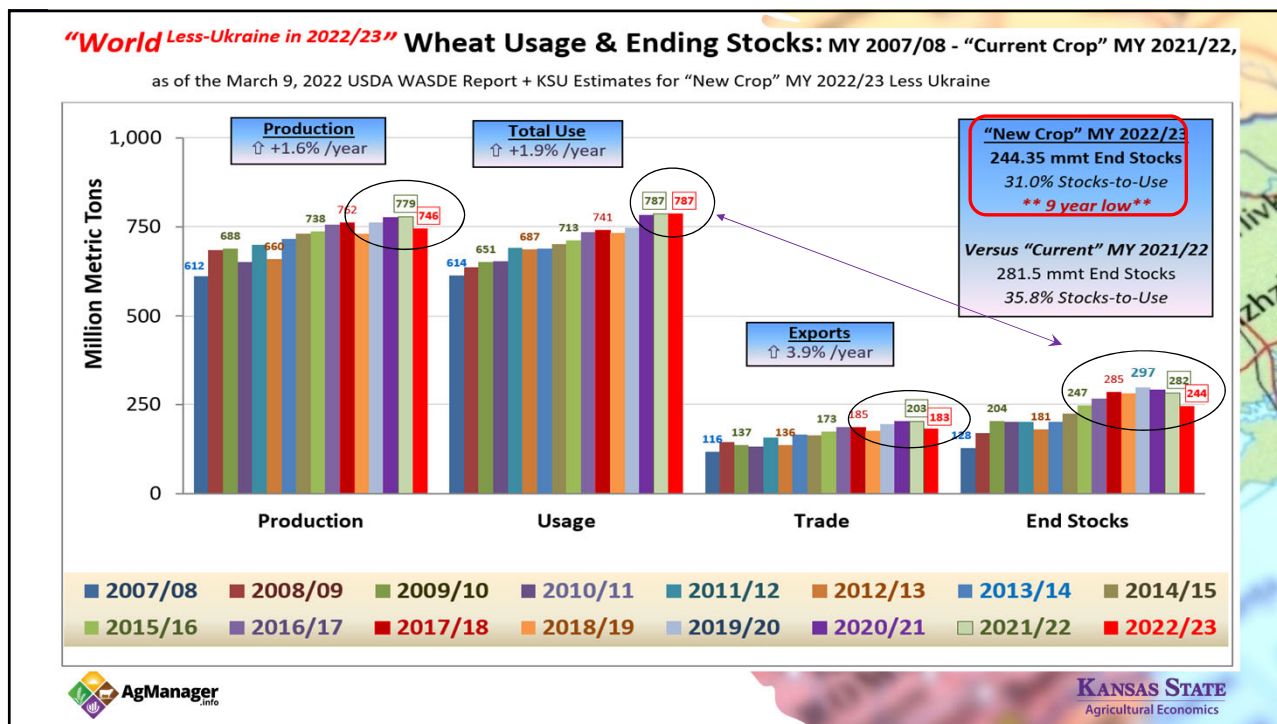
U.S. All Wheat Exports: "Negative" short-term Export Shipments with "Neutral" longer term export prospects for "Current" MY 2021/22

- Weekly Export Shipments wk of 3/3/2022 for "Current" MY 2021/22 = 14.1 mb (Negative) vs 22.18 mb /wk needed to meet USDA's March 9th projn of 800 mb exports
- Total shipments through 3/3/2022 for "Current" MY 2021/22 = 533.9 mb i.e., 66.7% of 800 mb USDA projn with 76.9% of MY complete (40/52 weeks)
- Total shipments + new sales thru 3/3/2022 for "Current" MY 2021/22 = 683.0 mb i.e., 85.4% of 800 mb USDA #'s with 76.9% of MY complete (40/52 weeks) (Neutral)
- Total new sales thru 3/3/2022 for "New Crop" MY 2022/23 = 25.0 mb (0/52 weeks)

U.S. Hard Red Winter (HRW) Wheat Exports: "Negative" short-term Shipments with "Neutral" long-term prospects for "Current" MY 2021/22 total sales

- Weekly Export Shipments wk of 3/3/2022 for "New Crop" MY 2021/22 = 6.70 mb (Negative) vs 9.35 mb /wk needed to meet USDA's February 9th projn of 320 mb HRW wheat exports
- Total shipments through 3/3/2022 for "Current" MY 2021/22 = 207.8 mb i.e., 64.9% of 320 mb USDA HRW-W exports with 76.9% of MY complete (40/52 weeks)
- Total shipments + new sales thru 3/3/2022 for "Current" MY 2021/22 = 273.0 mb i.e., 85.3% of 320 mb USDA HRW-W exports w. 76.9% of MY complete (40/52 weeks) (Neutral)





Soybean Markets

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SOYBEANS

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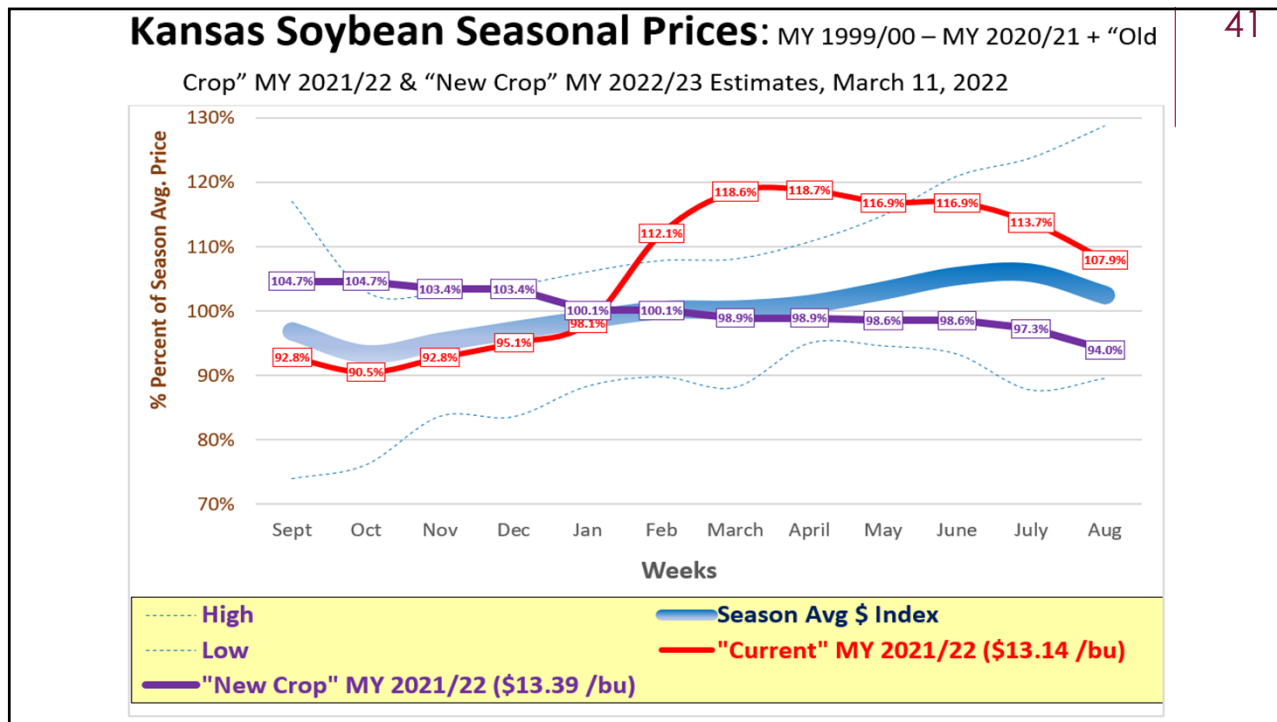
U.S. Soybean S/D & Stocks USDA Outlook Conf, Feb. 2022

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□ **Soybean: "Tight" Stocks & % S/U @ \$12.75 /bu U.S. Farm\$????**

- **Production** 2022/23 ⇒ **4.490 bln bu** (vs **4.435 bb** last year)
- **Ending Stocks** 2022/23 ⇒ **265 mln bu** (vs **285 mb** last year)
- **% Stocks/Use** 2022/23 ⇒ **5.86% S/U** (↑ vs **6.45% S/U** last year)
- **U.S. Farm \$** 2022/23 ⇒ **\$12.75 /bu** (**\$10.80 & \$13.25** last 2 yrs)

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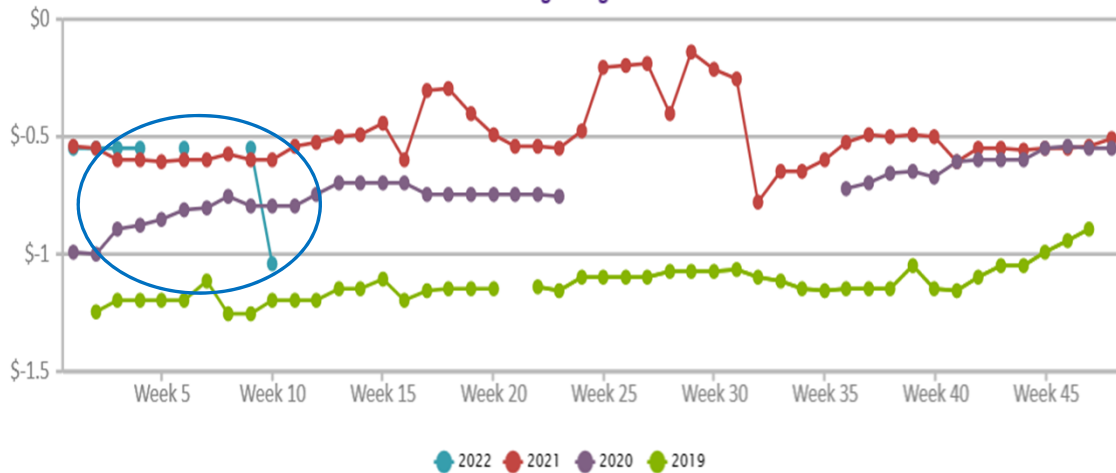
Kansas Cash & Futures Prices						
Date						
3/11/2022						
Grain Futures Contracts	Closing \$					
MAY 2022 Soybeans (Lead Contract)	16.7600					
NOV 2022 Soybeans (2022 Harvest Contract)	14.9100					
3/11/2022 Cash Grain & Harvest Contract Prices @ Kansas Grain Elevators						
Representing the highest bids available at each location						
Cash Market Spot & FC Bids	Colby	Salina	Topeka	Garden City	Hutchinson	Columbus ^{Area}
	NW KS	NC KS	EC-NE KS	SW KS	SC KS	SE KS
Soybean Spot Cash\$	\$15.51	\$16.21	\$16.46	\$15.81	\$16.36	\$16.26
Soybean Spot Cash Basis	(\$1.25)	(\$0.55)	(\$0.30)	(\$0.95)	(\$0.40)	(\$0.50)
Soybean Harvest FC\$: Fall ²⁰²²	\$13.86	\$14.36	\$14.36	\$13.96	\$14.31	\$14.21
Soybean Harvest FC\$ Basis	(\$1.05)	(\$0.55)	(\$0.55)	(\$0.95)	(\$0.60)	(\$0.70)

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DOWNS, KS: Soybeans Basis - SCOLAR GRAIN CO

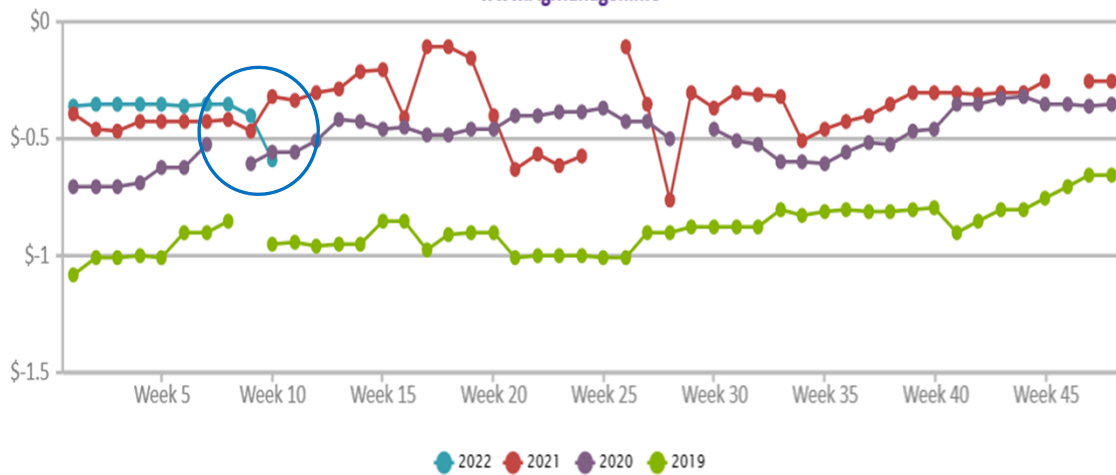
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SALINA, KS: Soybeans Basis - CARGILL

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❖ **U.S. Soybean Exports: “Bullish short-term export shipments and “Bullish” for “Current” MY 2021/22 sales**

- Weekly Export Shipments week of 3/3/2022 for “Current” MY 2021/22 = 30.7 mb (Bullish)
vs 21.58 mb /wk needed to meet USDA’s March 9th projn of 2.090 bb exports
- Total shipments through 3/3/2022 for “Current” MY 2021/22 = 1.528,9 bb
i.e., 73.15% of 2.090 bb USDA projn with 50.0% of MY complete (26/52 weeks)
- Total sales through 3/3/2022 for “Current” MY 2021/22 = 1.924,3 mb (Bullish)
i.e., 92.1% of 2.090 bb USDA^{KSU} projn w. 50.0% of MY complete (26/52 weeks)

❖ **U.S. Soybean Meal Exports: “Bullish” short-term export shipments in “New Crop” MY 2021/22, with “Positive” “Current” MY 2021/22 sales** 48

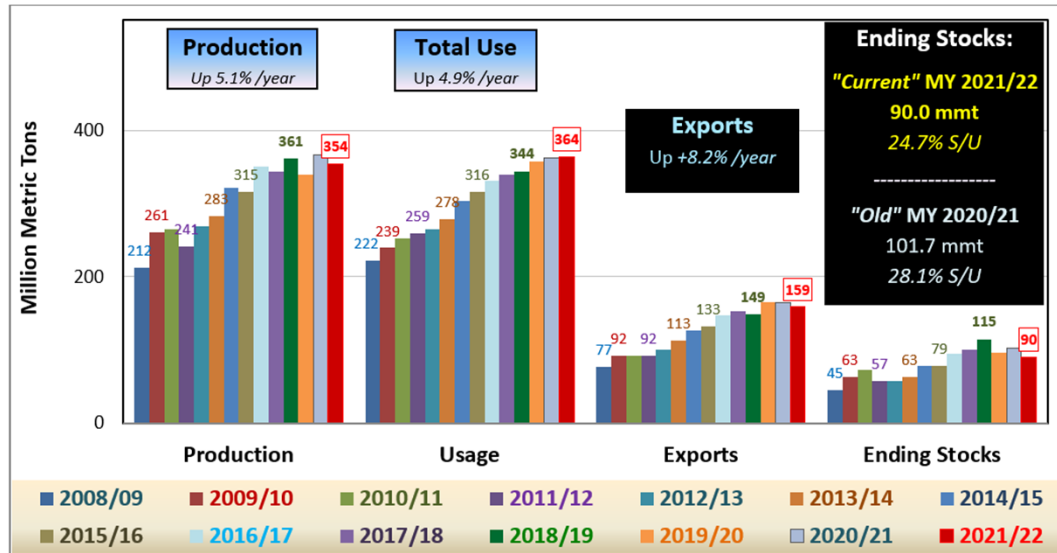
- Export Shipments for week of 3/3/2022 for “Current” MY 2021/22 = 253,100 mt (Bullish)
vs 253,963 mt/wk needed to meet USDA’s March 9th projn of 13,060 mmt exports
- Total shipments through 3/3/2022 for “Current” MY 2021/22 = 5.441,100 mmt
i.e., 41.7% of 13.060 mmt USDA projn with 42.3% of MY complete (22/52 weeks)
- Total shipments & new sales (3/3/2022) for “Current” MY 2021/22 = 8.328,3 mmt
i.e., 63.8% of 13.060 mmt USDA projn with 42.3% of MY complete (22/52 wks) (Positive)

❖ **U.S. Soybean Oil Exports: “Bullish” short-term export shipments in “current” MY 2020/21 and “Bullish” intermediate-term “current” MY total sales**

- Export Shipments for week of 3/3/2022 for “Current” MY 2021/22 = 16,500 mt (Bullish)
vs 8,027 mt/wk needed to meet USDA’s March 9th projn of 650,000 mt exports
- Total shipments through 3/3/2022 for “Current” MY 2021/22 = 409,200 mt
i.e., 62.95% of 650,000 mt USDA projn with 42.3% of MY complete (22/52 weeks)
- Total shipments & new sales (3/3/2022) for “Current” MY 2021/22 = 581,700 mt
i.e., 89.5% of 650,000 mt USDA projn with 42.3% of MY complete (22/52 wks) (Bullish)

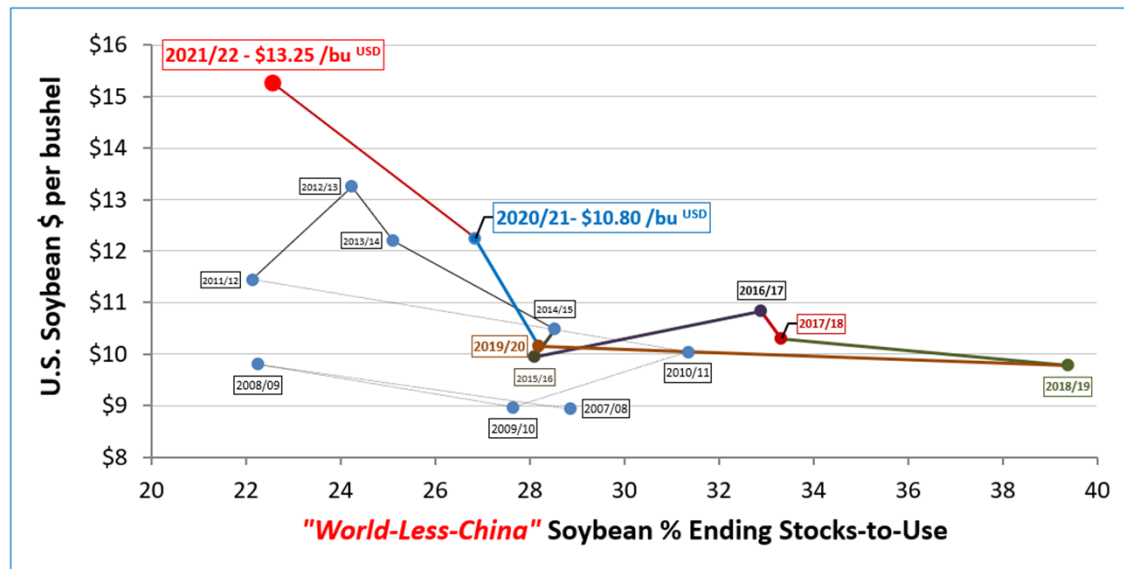
World Soybean Usage & Ending Stocks: MY 2008/09 through

"New Crop" MY 2021/22 as of the March 9, 2022 WASDE Report



U.S. Soybean \$^{USD}\$ Adj vs "World Less-China" % Stocks-to-Use:

MY 2007/08 through "New Crop" MY 2021/22 as of the March 9, 2022 WASDE Report



Recent Cash Grain Bid / Basis Issues March 2022

- Spot HRW basis bid offers in KS, OK, TX southern U.S. Plains were affected by sharply higher wheat futures prices – occurring on **Tuesday, 3/8/2022**
 - Grain dealers **rolled their basis bids** to *sharply discounted deferred K.C. wheat contracts* relative to the **higher volume CME KS HRW-W MAY 2022 Contract**.
 - Selected grain dealers were posting **no bids** for HRW-W – citing *current high wheat prices* as the reason.
 - Some **U.S. Southern Plains wheat millers** temporarily stopped accepting wheat deliveries to draw down existing wheat inventories



HRW Wheat Futures Closes, Changes & Market Carry

On Monday, March 7th & Thursday, March 10th, 2022

Monday, March 7, 2022

Kansas HRW Wheat Futures			
Month	Close	Change	Carry /mo
Mar ^D 22	\$12.37 ¾	↑ \$0.37	---
May ^L 22	\$12.51 ½	↑ \$0.37	+ \$0.06 ⁸⁷⁵
July ^H 22	\$12.33 ¾	↑ \$0.59 ¼	- \$0.08 ⁸⁷⁵
Sept 22	\$11.92 ¼	↑ \$0.75 ¼	- \$0.20 ⁷⁵
Dec 22	\$11.42 ¼	↑ \$0.85	- \$0.16 ⁶⁶⁷
Mar 23	\$10.96 ¼	↑ \$0.83 ¼	- \$0.15 ³³³
May 23	\$10.17	↑ \$0.59 ½	- \$0.39 ⁶²⁵
July 23	\$8.56 ¾	↑ \$0.41 ¼	- \$0.80 ¹²⁵

Thursday, March 10, 2022

Kansas HRW Wheat Futures			
Month	Close	Change	Carry /mo
Mar ^D 22	\$10.52 ¼	↓ \$0.54	---
May ^L 22	\$10.95 ½	↑ \$0.29 ¼	+ \$0.21 ⁶²⁵
July ^H 22	\$10.85	↑ \$0.30 ¼	- \$0.05 ²⁵
Sept 22	\$10.73	↑ \$0.27 ½	- \$0.06
Dec 22	\$10.59 ½	↑ \$0.21 ¼	- \$0.04 ⁵⁰
Mar 23	\$10.14	↑ \$0.01 ½	- \$0.15 ¹⁶⁷
May 23	\$9.41 ½	↑ \$0.13 ¼	- \$0.36 ²⁵
July 23	\$8.00	↑ \$0.06 ½	- \$0.70 ⁷⁵



Key Factors in the Cash Grain Bid / Basis Issue

- **Inverses in the Wheat Futures Market** CME SRW, HRW
 - Record high lead contract prices for *Lead Futures* with *high volatility*
- “Down Stream” Supply Chain Disruptions Impacting Grain Elevators
 - Lack of bids from wheat millers, exporters, etc. to “move” grain on to
 - Questions regarding availability of rail transportation to move grain
- A necessary “turnaround” in the future
 - Eventually – “down stream” buyers/users will again need wheat supplies
 - “**Demand-pull**” will force *proactive bidding & procurement* for wheat in these industries when current inventories run short & buyers “come calling”



Questions?

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