

Morning Agriculture Commentary

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Wheat prices overnight are up 2 1/4 in SRW, up 2 in HRW, up 4 in HRS; Corn is up 2 3/4; Soybeans up 8 1/2; Soymeal up \$0.26; Soyoil up 0.54.

For the week so far wheat prices are down 27 in SRW, down 18 in HRW, down 8 1/2 in HRS; Corn is down 1 1/2; Soybeans down 1/2; Soymeal up \$0.57; Soyoil up 0.29.

For the month to date wheat prices are down 29 in SRW, down 34 3/4 in HRW, up 3 1/4 in HRS; Corn is up 21; Soybeans up 47 1/4; Soymeal up \$30.50; Soyoil down 1.27.

Chinese Ag futures (MAY 22) Soybeans up 55 yuan; Soymeal up 28; Soyoil up 46; Palm oil unchanged; Corn down 10 -- Malasyian Palm is up 133. Malaysian palm oil prices overnight were up 133 ringgit (+2.96%) at 4619.

There were changes in registrations (-7 Soyoil, -10 HRW Wheat,). Registration total: 1,900 SRW Wheat contracts; 41 Oats; 50 Corn; 244 Soybeans; 146 Soyoil; 0 Soymeal; 98 HRW Wheat.

Preliminary changes in futures Open Interest as of December 15 were: SRW Wheat up 2,766 contracts, HRW Wheat up 486, Corn up 6,014, Soybeans down 4,302, Soymeal up 1,548, Soyoil up 6,061.

Brazil Grains & Oilseeds Forecast: Rio Grande do Sul and Parana Forecast: Isolated showers Wednesday. Mostly dry Thursday-Sunday. Temperatures near to above normal through Sunday. Mato Grosso, MGDS and southern Goias Forecast: Scattered showers through Sunday. Temperatures near normal through Sunday.

Argentina Grains & Oilseeds Forecast: Cordoba, Santa Fe, Northern Buenos Aires Forecast: Mostly dry through Saturday. Isolated showers Sunday. Temperatures near to below normal through Thursday, near to above normal Friday-Sunday. La Pampa, Southern Buenos Aires Forecast: Mostly dry through Friday. Isolated showers Saturday-Sunday. Temperatures near to below normal through Thursday, near to above normal Friday-Sunday.

The player sheet for Dec. 15 had funds: net sellers of 20,000 contracts of SRW wheat, sellers of 5,000 corn, sellers of 1,000 soybeans, sellers of 2,000 soymeal, and buyers of 2,000 soyoil.

	Corn	Soybeans	Wheat	Soymeal	Soyoil
Dec. 15	-5,000	+1,000	-20,000	-2,000	+2,000
Dec. 14	+5,500	+10,500	-2,500	+10,500	-7,000
Dec. 13	-6,500	-12,000	+3,000	-3,500	-2,000
Dec. 10	0	+2,500	+3,500	+7,000	-4,000
Dec. 9	+2,500	-1,500	-9,500	+2,000	-2,000

TENDERS

- WHEAT SALE: Algeria's state grains agency OAIC purchased around 690,000 to 700,000 tonnes of optional-origin milling wheat in an international tender on Tuesday
- WHEAT SALE: South Korea's Feed Leaders Committee (FLC) purchased around 60,000 tonnes of animal feed wheat in a private deal on Wednesday without issuing an international tende
- WHEAT SALE: Japan's Ministry of Agriculture, Forestry and Fisheries(MAFF) bought a total of 228,783 tonnes of food-quality wheat from the United States and Canada in regular tenders that closed on Thursday.
- FAILED FEED WHEAT, BARLEY TENDER: Japan's Ministry of Agriculture, Forestry and Fisheries (MAFF) said it received no offers for feed-quality wheat or barley in a simultaneous buy and sell (SBS) auction that closed late on Wednesday.
- FAILED BARLEY TENDER: Jordan's state grain buyer made no purchase in an international tender for 120,000 tonnes of animal feed barley which closed on Wednesday

PENDING TENDERS

- WHEAT TENDER: Bangladesh's state grains buyer received the lowest price offer assessed at \$404.11 a tonne CIF liner out in an international tender to purchase and import 50,000 tonnes of wheat which closed on Dec. 8
- WHEAT TENDER: Iranian state agency the Government Trading Corporation (GTC) has issued an international tender to purchase about 180,000 tonnes of milling wheat
- FEED WHEAT TENDER: An importer group in the Philippines is tendering to purchase up to 220,000 tonnes of animal feed wheat
- RICE TENDER: South Korea's state-backed Agro-Fisheries & Food Trade Corp issued another international tender to purchase an estimated 22,000 tonnes of rice to be sourced from the United States
- WHEAT TENDER: Jordan's state grain buyer has issued an international tender to buy 120,000 tonnes of milling wheat which can be sourced from optional origins
- WHEAT TENDER: Turkey's state grain board TMO has issued an international tender to purchase about 320,000 tonnes of milling wheat

US BASIS/CASH

- Basis bids for soybeans shipped by barge to the U.S. Gulf Coast and loaded for export were
 mostly steady to firmer on Wednesday on solid demand for spot shipments, while corn and
 wheat bids were mostly flat, traders said.
 - Soybean bids in the CIF market remain inverted, with prices for near-term shipments at a premium to deferred deliveries. The peak U.S. soybean export season will be winding down in the coming weeks as cheaper Brazilian soybeans begin to flood the market in early 2022.
 - The volume of soybeans available in the barge market has tightened, leaving exporters bidding up to attract supplies. Soybean barges loaded in the first half of this month were bid at a 9-cent-per-bushel premium to those loaded through the end of the month, traders said.
 - Firm barge freight rates also underpinned CIF bids. Spot barge freight rates in the
 Midwest have risen on tight supplies of empty vessels in position to pick up grain this week, barge brokers said.
 - Empty barges on the Mississippi River at St. Louis were offered at 725% of tariff on
 Wednesday, up 25 percentage points from Tuesday and up 150 points from a week ago.
 - CIF Gulf soybean barges loaded in December were bid steady at 95 cents over January.
 First-half December loadings were bid 4 cents higher at 104 cents over futures.
 - FOB soybean basis offers for January loadings were around 105 cents over January
 - o CIF corn barges loaded in December were bid steady at 82 cents over March.
 - FOB basis offers for January corn loadings held at around 95 cents over March.
- Spot basis bids for corn firmed at rail market terminals around the U.S. Midwest on Wednesday, grain dealers said.
 - The corn basis was flat at elevators in both the river and truck markets.
 - Soybean bids also held steady at interior elevators.
 - Cash bids for both commodities were unchanged at the region's processors.
 - Along rivers, corn bids were steady to lower and soybean bids were steady to higher.
 - Country movement on the cash market was light.
 - Some farmers were locking in prices for crops they will deliver in the first quarter of 2022 to generate cash flow ahead of planting, an Ohio dealer said.
- U.S. spot prices for millfeeds were about steady on Wednesday amid mixed demand and expectations for tightening supplies in the coming weeks, dealers said.
 - Millfeed supplies are expected to tighten over the next two weeks as flour mills reduce operations around the Christmas and New Year's Day holidays.
 - Prices in some markets have edged higher in recent days as feed mixers bought extra loads of millfeed in anticipation of the mill downtime around the holidays, dealers said.
 - Mild weather this week limited demand in the Plains and western Midwest. Livestock typically consume less feed in warmer weather.

- Chicago Board of Trade March corn CH2 futures were down 4-1/4 cents near midday on Wednesday at \$5.86 a bushel. Corn competes with wheat-based millfeed for space in animal feed rations.
- Spot basis bids for hard red winter wheat were steady at truck and rail market terminals across
 the southern U.S. Plains on Wednesday morning, grain dealers said.
 - Sales were slow.
 - Farmers were content to keep their supplies in storage bins as cash prices were well below levels that would cause them to book new deals, an Oklahoma dealer said.
 - Weakness in the futures market on Wednesday morning further chilled the possibility of fresh country movement, the dealer said.
 - Protein premiums for wheat delivered by rail to or through Kansas City were sharply higher for wheat with protein content ranging from 12.8% through 14%, rising by 40 cents a bushel. Premiums were 5 cents higher for 12% and 12.2% protein wheat, 10 cents higher for 11.4% protein wheat and 8 cents higher for 11.6% wheat.
 - Premiums were 30 cents lower for ordinary protein wheat and unchanged for all other grades, according to the latest CME Group data.
- Spot basis bids for soybeans and corn were steady at most processors, elevators and river terminals around the U.S. Midwest on Wednesday morning, grain dealers said.
 - The cash basis for corn was steady to lower at ethanol plants, falling by 2 cents a bushel in Annawan, Illinois.
 - Farmer sales of both commodities were slow, with cash prices well below levels that sparked farmers' interest earlier in the year.
 - Although the soybean basis was unchanged in most areas, bids rose by 3 cents a bushel at an elevator in Cincinnati, Ohio.
- Spot basis offers for U.S. soymeal were flat at rail and truck market processors on Wednesday, dealers said.
 - There were no offers listed in Cedar Rapids, Iowa, or Iowa Falls, Iowa. But end users looking for some small spot market shipments could call the plants and see if any supplies were available.
 - The plant in Cedar Rapids was shut down for unscheduled maintenance, an Iowa dealer said, which tightened up the supply base.
 - The Cedar Rapids plant should resume operations by Thursday morning, the dealer added.
 - Dealers finished rolling their basis offers to the Chicago Board of Trade January soymeal futures contract SMF2 from the December contract, which expired on Tuesday.

TODAY

GRAIN EXPORT SURVEY: Corn, Soy, Wheat Sales Before USDA Report

- Corn est. range 2,000k 2,800k tons, with avg of 2,439k
- Soybean est. range 1,100k 1,900k tons, with avg of 1,553k

	Estimate	Range	Prior Results		
	Low-High	Average	Week ago	Year ago	
Corn	2,000-2,800	2,439	1,133	1,935	
Soybeans	1,100-1,900	1,553	1,638	947	
Soybean Meal	100-300	181	205	261	
Soybean Oil	5-25	12	5	8	
Wheat	200-400	288	240	561	

DOE: U.S. Ethanol Stocks Rise 2.0% to 20.883M Bbl

According to the U.S. Department of Energy's weekly petroleum report.

- Analysts were expecting 20.579 mln bbl
- Plant production at 1.087m b/d, compared to survey avg of 1.084m

	EIA	Bloomberg Survey			EIA	Weekly
	Dec. 10	Avg	Low	High	Prev. Week	% Chg
Total Stocks	20.883	20.579	20.425	20.700	20.464	2.0%
Plant Production	1.087	1.084	1.060	1.105	1.090	-0.3%

U.S. NOPA November Soybean Processing Falls to 179.5M Bushels

The crush compares with 181.02m bushels a year earlier, National Oilseed Processors Association data released by Thomson Reuters showed Wednesday.

- The average estimate of analysts in a Bloomberg survey was 181.8m bu
- Soybean-oil inventories at the end of last month were 1.832b lbs, compared with 1.558b a year earlier; average estimate by analysts was 1.861b

Malaysia Dec. 1-15 Palm Oil Exports to EU 164,030 Tons: SGS

Following is a table of Malaysia's palm oil export figures, according to estimates by independent cargo surveyor SGS Malaysia Sdn.

- EU imported 164,030 tons; -15.4% m/m
- Turkey imported 100,470 tons; +136.2% m/m

Paraguay soybean production down on continued dryness in southern Oriental Region

Continued dryness and low soil moisture throughout key producing areas of the southeastern Oriental Region lower 2021/22 Paraguay soybean production by 3% to 9.82 [9.03–10.74] million tons. Our median production estimate is below the USDA World Agricultural Outlook Board (WAOB)'s 10.0 million tons, which assumes national level area and yield at 3.4 million hectares and 2.94 tons per hectare (tph), respectively (vs. Refinitiv Ag Research's 3.36 million hectares and 2.92 tph, respectively).

EU Soft-Wheat Exports Up 8.7% Y/y; French Figures Still Lag

Soft-wheat shipments during the season that began July 1 reached 13.1m tons as of Dec. 12, versus 12.1m tons in a similar period a year earlier, the European Commission said Wednesday on its website.

 NOTE: Data for the prior season include trade for the U.K. until Dec. 31, 2020, when the country departed the EU customs union

- Top soft-wheat destinations were Algeria (2.13m tons), Egypt (1.26m tons) and Nigeria (1.04m tons)
- EU barley exports at 4.37m tons, versus 3.59m tons a year earlier
- China is the top market at 1.74m tons
- EU corn imports at 5.94m tons, against 7.77m tons a year earlier

U.K. Keeps 2021 Wheat Crop Estimate Steady at 14M Tons: Defra

This year's wheat harvest totaled 14m tons, the U.K. government said in its final results for the season.

- That's unchanged from an initial estimate in October and is up 45% y/y
- Barley crop fell 14% to 7m tons, and rapeseed dropped 5.5% to 981k tons

Strategie Sees EU 2022 Wheat, Corn Crops Falling Y/y; Barley Up

EU soft-wheat production in the 2022-23 season is estimated at 127.6m tons, down 1.3% y/y, analyst Strategie Grains says in an emailed report with its initial figures for next year.

- "Wheat stocks look set to remain in equilibrium, with a smaller harvest but higher industrial demand and lower exports"
- Barley crop seen at 51.8m tons, versus 51.7m tons
- Corn crop seen at 66.4m tons, versus 68.3m tons
- For the current season, EU wheat export prospects are improving on better sales to China, Egypt, Morocco and Vietnam
- Still, Algeria opening its tenders to Russian wheat will dent sales there

WORLD OUTLOOK:

- Soft-wheat crop seen rising 2.9% y/y to 725.3m tons in 2022-23
- Barley crop seen rising to 154m tons, from 144.2m tons
- Corn crop seen rising to 1.166b tons, from 1.155b tons
- Grain prices are likely to fall next season, but may remain "somewhat higher than where the historical relationship between prices and inventory suggests"
- That's due to high energy costs, supply-chain disruptions and substantial Chinese imports

Russia May Reduce Planned Wheat-Export Quota by 1m Tons

Russia may set a planned wheat-export quota at about 8m tons, rather than a previously planned 9m tons, two people familiar with the matter said, asking not to be identified before the official announcement.

- Proposed quota is expected to be announced on Wednesday evening, people say
- Economy Ministry, which overseas the quota, declined to comment
- NOTE: Russia will set grain and wheat quotas for Feb. 15-June 30 to ensure enough domestic supply

SovEcon Ups Ukraine Corn Est., Sees China Buying 'Aggressively'

Ukraine's 2021 corn harvest is now seen at 40.4m tons, up 0.5m tons from a prior estimate, consultant SovEcon wrote in an emailed note.

- That's based on good yields in the west and would be an all-time high
- "As per traders, China is currently aggressively booking" Ukrainian supply and has probably purchased 8m-10m tons so far
 - o That's likely to make Ukraine its leading corn supplier this season
 - Still, USDA's forecast for China corn imports at 26m tons in 2021-22 is probably "too optimistic"

India Should Commit \$656M in Next Budget to Boost Oilseed Output

The government should allocate 50 billion rupees (\$656 million) in its 2022-23 budget to help farmers increase production of oilseeds, including rapeseed, peanuts and soybeans, according to the Solvent Extractors' Association of India.

- Tax incentives should be given to companies that are helping growers boost output, the oilseeds processors group said in a memorandum to the government ahead of the annual budget
- Farmers in northern states of Punjab and Haryana should be given incentives to shift to oilseed crops from rice and wheat
 - That will curtail stubble burning, which causes pollution, by farmers and help check depleting ground water level
- The government should also promote production of genetically-modified crops such as locally-developed rapeseed to boost yields
- Import of refined edible oils should again be restricted; overseas purchases of soap noodles should also be curbed
- The effective import duties on crude edible oils, including rapeseed oil, should be uniform at 5.5%

Argentina Reduces or Scraps Export Taxes on Niche Farm Products

Exports included in the measure include "micronized" fine-ground soy meal; organic soybeans, organic soy meal, organic corn and organic wheat; some forms of peanuts and popcorn, the Economy Ministry said in a statement sent through text message.

2021 Corn Yield Contest winners announced

The National Corn Growers Association released the winners of the 57th National Corn Yield Contest. The great yields achieved in the contest reflect farmers' resilience and deep dedication to continuous improvement.

"This contest offers farmers a chance to come together both for good-natured competition and to help innovate the future of our industry," said Lowell Neitzel, chair of NCGA's Member and Consumer Engagement Action Team. "These contestants grow to be leaders in many other ways as well. For many, the contest may be their first interaction with NCGA. As they learn more, the true value of the work that we do to build a better tomorrow inspires greater achievement."

National Corn Yield Contest winners

The Corn Yield Contest includes 9 production categories based on growing practices, and the national contest ranks the top three growers in each category. The 27 national winners had verified yields

averaging more than 376 bushels per acre, compared to the projected national average of 177 bushels per acre nationwide.

The highest yield of the contest across all production categories was achieved by David Hula, topping 600 bushels per acre.

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D. I	2021 Corn Yield Contest National Winners						
Rank		Location	Seed Brand	Yield			
Conventional Non-Irrigated							
1	Heath Cutrell	Chesapeake, VA	DEKALB	391.3092			
2	Douglas Stall	Charlotte, MI	Pioneer	363.5288			
3	Joshua Will Watson	Sweetwater, TN		343.4807			
Conventional Non-Irrigated: Corn Belt States							
1	Troy Uphoff	Findlay, IL	DEKALB	354.985			
2	Rhylan Kalb	Dubois, IN	DEKALB	351.052			
3	Jared Ripp	Dane, WI	DEKALB	322.5088			
No-Till Non-Irrigated							
1	Leonard Truszkowski	Stewartsville, NJ	Dyna-Gro	353.361			
2	Sharon Santini	Phillipsburg, NJ	DEKALB	352.3746			
3	William Rigdon	Jarrettsville, MD	DEKALB	324.2236			
No-Till Non-Irrigated: Corn Belt States							
1	Shawn Kalb	Dubois, IN	DEKALB	391.4773			
2	Emmersen Kalb	Dubois, IN	DEKALB	352.3063			
3	Jonathan Borges	Marshall, MO	AgriGold	339.569			
Strip	, Min, Mulch, Ridge-Till	Non-Irrigated					
1	Harrison Rigdon	Jarrettsville, MD	DEKALB	366.827			
2	Scott Truszkowski	Stewartsville, NJ	Dyna-Gro	341.8442			
3	Darrell Hagan	Whitesville, KY	Stewart Seeds	324.9635			
Strip	, Min, Mulch, Ridge-Till	Non-Irrigated: Co	orn Belt States	5			
1	Kevin Kalb	Dubois, IN	DEKALB	403.7599			
2	Nikia Kalb	Dubois, IN	DEKALB	365.4261			
3	Scott Berget	Gratiot, WI	DEKALB	322.0204			
No-Till Irrigated							
1	David Hula	Charles City, VA	Pioneer	602.1684			
2	Craig Hula	Charles City, VA	Pioneer	583.0674			
3	Connor Garrett	Arion, IA	Pioneer	387.9393			
Strip, Min, Mulch, Ridge-Till Irrigated							
1	Ben Kron	Evansville, IN	LG Seeds	390.7846			
2	Ton Rusler	Avondale, CO	DEKALB	348.4575			
3	Creighton Peterson	Smithfield, NE	Channel	347.9264			
Conventional Irrigated							
1	Don Stall	Charlotte, MI	Pioneer	465.7725			
2	Trevor Gardner	Honeyville, UT	DEKALB	343.1362			
3	Ashton Peterson	Bertrand, NE	Pioneer	338.2306			

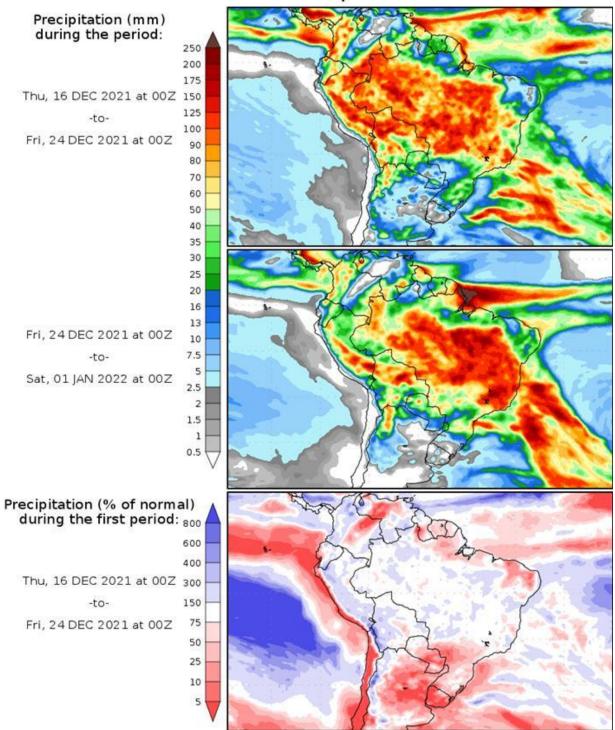
WORLD SOYBEAN PROSPECTS: Favorable conditions for developing to reproductive soybeans in Brazil, soils drying out in the south. Recent showers benefiting developing to reproductive soybeans in Argentina, but soils drying out. A dry outlook for India will be favorable for soybean harvest.

WORLD CORN PROSPECTS: Favorable conditions for developing to reproductive corn in Brazil, soils drying out in the south. Recent showers benefiting developing to reproductive corn in Argentina, but dryness is concerning. Showers benefiting corn planting and establishment in South Africa.

WORLD WHEAT PROSPECTS: Periods of precipitation in the Pacific Northwest favoring soil moisture and drought reduction. Dryness and winds in the Southwestern Plains continuing to stress winter wheat. Favorable conditions for winter wheat establishment in southern Europe. Crops going dormant mostly in good conditions across the north and east. Crop is going dormant in Ukraine and western Russia in poor condition. Drier conditions favoring harvest of winter wheat in Australia. Winter wheat dormant in favorable condition in China. Scattered showers in North Africa, favoring winter wheat planting and establishment. Drought in Morocco continues despite showers, however.

SOUTH AMERICA

Precipitation Forecasts

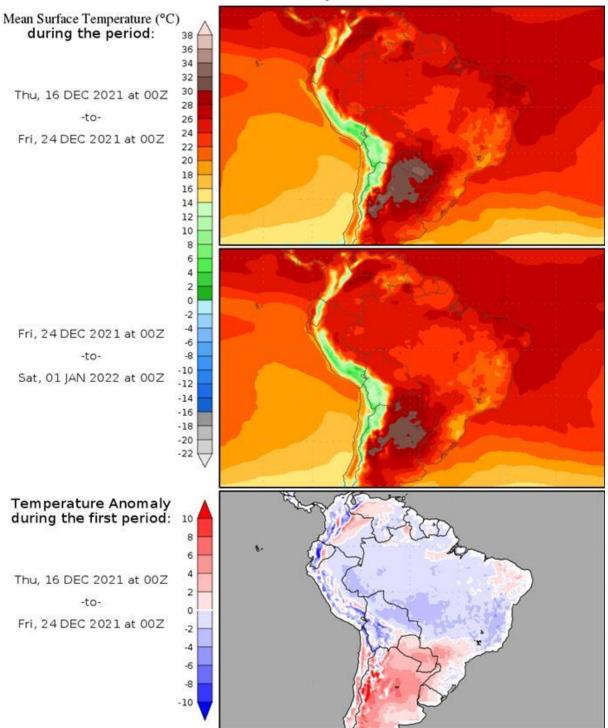


Precipitation forecasts from the National Centers for Environmental Prediction.

Normal rainfall derived from Xie-Arkin (CMAP) Monthly Climatology for 1979-2003.

Forecast Initialization Time: 00Z16DEC2021

Temperature Forecasts

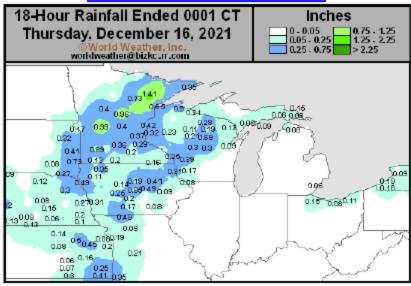


Temperature forecasts from the National Centers for Environmental Prediction.

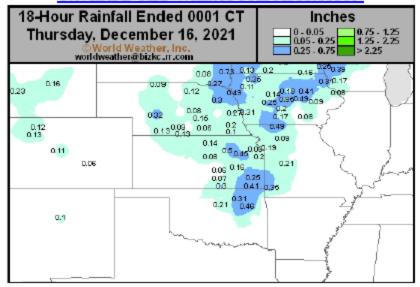
Normal Temperature derived from CRU monthly climatology for 1901-2000

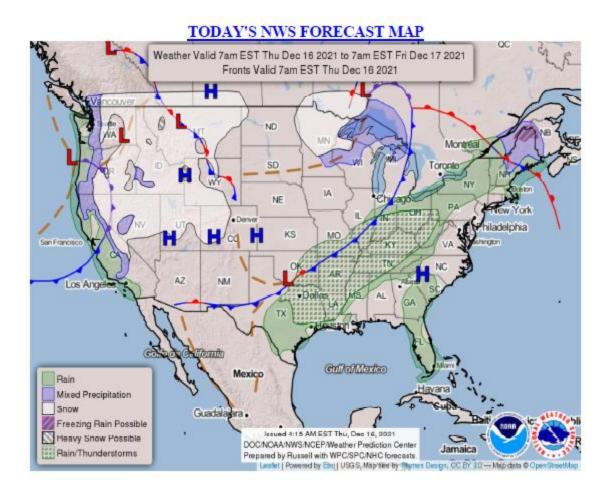
Forecast Initialization Time: 00Z16DEC2021

U.S. MIDWEST PRECIPITATION



U.S. HARD RED WHEAT PRECIPITATION





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