



Thursday, May 19, 2022

Upcoming Reports

FAS Export Sales –Today, 7:30 am
Commitments of Traders –Friday, 2 pm

Macro News

Dow futures are down 360 points to 31,080 and Crude Oil is down 2.00 to 107.11.

Stock futures slid, pointing to deeper losses for U.S. markets on growing worries of an economic slowdown. Futures for the S&P 500 fell 0.8%, suggesting the index will open close to bear market territory—market shorthand for a 20% fall from a recent high. It tumbled 4% Wednesday, its biggest one-day retreat since June 2020. After that drop, the S&P 500 had retreated more than 18% from its January all-time high. Dow Jones Industrial Average futures fell 0.7% on Thursday, as did contracts for the technology-focused Nasdaq-100 skidded 0.9%.

Grain News



Summary: Two significant systems move across the central U.S. through Wednesday, turning the central / southern Plains, Corn Belt, and mid-South considerably wetter. Some rain also affects the wet to saturated Dakotas and western MN, but primarily limited to corn, soybean, and spring wheat areas of ND and northwest MN over the next 36 hours. The setup turns a wide area very cool through Sunday, after which coolness gradually eases over much of next week, but a very mild period is probable to start May 27-29 as a new system approaches; its pass will probably return rain to the central U.S. around May 30 - June 1, especially north (including wettest areas).. For more information, please visit www.tstorm.net.

USDA Daily Sales Announcements:

***No sales reported today

Grains are mixed to lower. SN is up 2 cents and near 16.64. SX is near 14.89. SMN is near 415.2. BON is near 79.46. CN is down 6 cents and near 7.75. CZ is near 7.29. WN is down 16 cents and near 12.14. Overnight high was 12.47. KWN is down 21 cents and near 13.01. Overnight high was 13.45. MWN is down 13 cents and near 13.39. Overnight high was 13.83. US stocks continue lower after Wednesday sharp drop. Crude is lower. US Dollar is lower. Gold and copper are higher. Silver, coffee, cocoa, sugar and cotton are lower. US stocks and most commodities are lower. Concern about higher fuel and food prices could send US economy into a recession is weighing on equities and commodities. Lower than expected retail earnings due to higher cost also shocked US equity market. S/P near 38 pct retracement from the low in 2020 near 2,174 to 2022 high near 4,808. There is also more concern that the spread of a new covid variant in China could increase lockdowns, slow their economy and commodity import needs. Dalian soybean and RSO values are higher. Soymeal, SBO and Palmoil values are lower. Rains continues in US central Midwest and north plains. Dryness continues in US south plains, EU and most of South America. Drier weather is helping Australia crops.

U.N. chief hopeful about talks on Ukraine, Russia grain and fertilizer exports

U.N. Secretary-General Antonio Guterres said on Wednesday that he is in "intense contact" with Russia, Ukraine, Turkey, the United States and the European Union to try and restore Ukrainian grain shipments and revive Russian fertilizer exports. "I am hopeful, but there is still a way to go," he told a food security meeting at the United Nations hosted by U.S. Secretary of State Antony Blinken. "The complex security, economic and financial implications require goodwill on all sides."

Russia says lifting sanctions key to opening Ukrainian ports

Russia's Foreign Ministry said if it were to heed a United Nations (UN) appeal to open access to Ukraine's Black Sea ports, the removal of sanctions against Russia would also have to be considered, the Interfax news agency reported. UN food chief David Beasley appealed on Wednesday to Russian President Vladimir Putin, saying: "If you have any heart at all, please open these ports." The UN World Food Program feeds some 125 million people and buys 50% of its grain from Ukraine.

Ukraine's Grain Exports Down 64% Y/Y in May So Far: Ministry

Ukraine's grain exports totaled 643,000 tons so far this month, according to Agriculture Ministry's data published on its website. This total includes 16,000 tons of wheat, 8,000 tons of barley, and 617,000 tons of corn. In May 2021 Ukraine exported 1.8m tons of grains. So far Ukraine's grain exports have reached 46.5m tons in 2021/22 marketing year that ends in June, compared with 40.9m tons in the whole 2020/21 year.

Day 2 HRW tour results

Scouts on the second day of the Wheat Quality Council HRW tour found an average yield of 37 bu. per acre in western and southern areas of Kansas, down from 56.7 bu. per acre on similar routes last year and the five-year average of 47.1 bu. per acre. Drought and high temperatures stunted crops in the state's southwest corner as well as portions of south-central Kansas. "This is the toughest-looking wheat we've had in years, and if it doesn't get moisture soon, it's going to get worse," Gary Millershaski, a scout on the tour who farms near Lakin, Kansas, told Reuters.

Fertilizer Price Weakness Persists

Most fertilizer prices were under pressure at midweek. New Orleans (NOLA) urea trades were \$15 a short ton (st) below the prior week's low, while international transactions suggested a possible drop of \$300-\$400 a metric ton (mt) in the upcoming June Tampa contract. Urea prices awarded in India's latest tender were \$716.50-\$721.30/mt, down nearly \$29 from the high end of the last tender. Ammonium sulfate, phosphate and potash prices were also slipping at NOLA and inland, as earlier weather delays and resistance to higher retail prices cut into spring volume. Brazil phosphate prices were on a downward trend as well, amid aggressive offers of product from China.

Farmers Are Buying Up Expensive Weedkiller Even As Costs Soar

Growers are worried about supplies for yield-maximizing chemicals like herbicides and pesticides. Farmers are still buying weedkillers and insecticides to ensure plentiful harvests despite soaring costs for such chemicals, according to manufacturer FMC Corp. Prices have been rising as the pandemic, Russia's invasion of Ukraine and other supply chain issues have tightened the market. But farmers are also fetching the best prices in years for their crops, so demand for chemicals is "very strong," FMC's Chief Executive Officer Mark Douglas said. "They have the need to make sure they're maximizing their yields, because that's where the real value is going to come from," Douglas said in an interview Wednesday. The industry is, however, seeing growers in the US, Latin America and Europe unable to get the products they need, Douglas said. That's contributing to inflating prices. FMC is interested in mergers and acquisitions, particularly for companies making biologicals, which is a technology that uses microbes as alternatives to traditional crop chemicals. As disruptions occur in the industry, demand for such products will probably rise, he said.

China lifts restrictions on Canadian canola

China has removed a three-year restriction on imports of Canadian canola, Canadian officials said. Richardson and Viterro, Canada's two largest canola exporters that had been banned from shipping canola to China since March 2019, are listed as approved for exporting canola to China in a government document that was published on the Chinese General Administration of Customs' website. "We welcome this decision to remove the restrictions and immediately reinstate the two companies to allow them to export Canadian canola seeds," said Canadian Trade Minister Mary Ng and Agriculture Minister Marie-Claude Bibeau in a statement. However, any Canadian shipments of canola to China will be limited due to lower stockpiles.

More U.S. food aid

Secretary of State Antony Blinken told a U.N. Security Council meeting on food security the U.S. was donating an additional \$215 million in humanitarian assistance to address the world's worsening food crisis. Countries benefiting from the aid include Burkina Faso, Cameroon, Kenya, Nigeria, Zimbabwe and Yemen.

24-Hour Precipitation Map

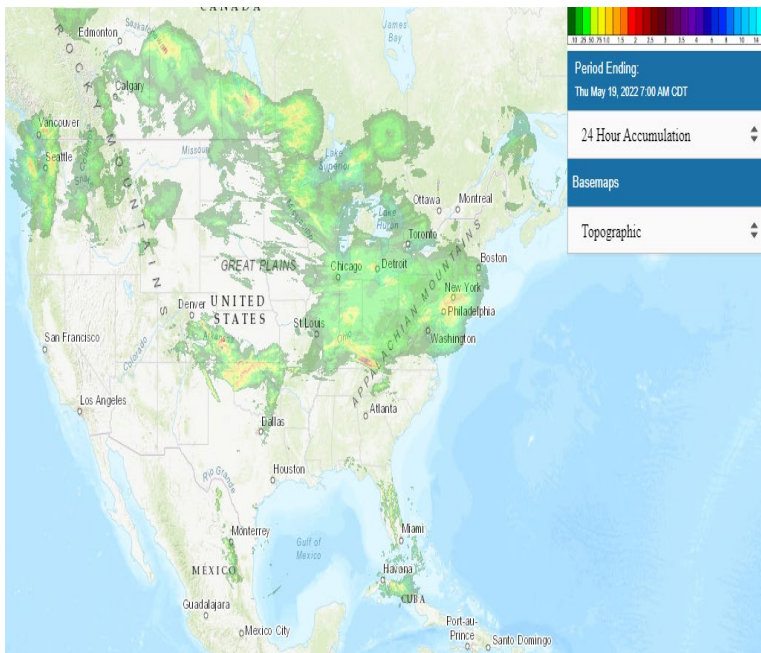
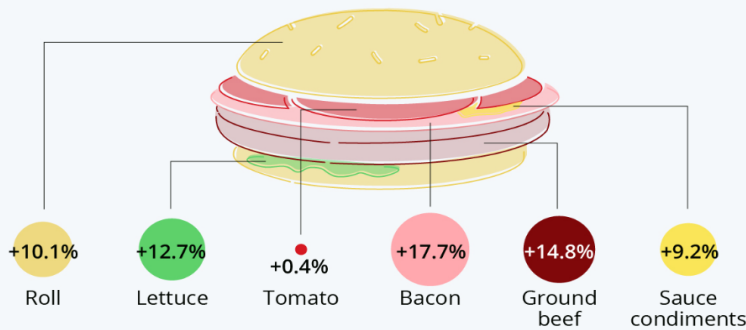


Chart of the Day

How Inflation Changed the Price of a Hamburger

Year-over-year change in the price of selected ingredients of a hamburger (April 2021-April 2022)



Based on retail prices, urban consumers
Source: Bureau of Labor Statistics