



## Morning Agriculture Commentary

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Wheat prices overnight are up 7 1/4 in SRW, up 2 1/4 in HRW, up 2 3/4 in HRS; Corn is up 3 1/2; Soybeans up 4 1/4; Soymeal up \$0.11; Soyoil up 0.51.

For the week so far wheat prices are down 3 in SRW, down 7 3/4 in HRW, up 6 1/2 in HRS; Corn is up 9 1/2; Soybeans down 28 3/4; Soymeal unchanged; Soyoil down 3.81.

For the month to date wheat prices are down 67 in SRW, down 43 in HRW, down 25 in HRS; Corn is down 24 1/4; Soybeans up 1 3/4; Soymeal down \$15.50; Soyoil up 0.12.

Year-To-Date nearby futures are up 6% in SRW, up 17% in HRW, down -3% in HRS; Corn is up 13%; Soybeans up 7%; Soymeal down -1%; Soyoil up 29%.

Chinese Ag futures (JAN 23) Soybeans up 65 yuan; Soymeal down 29; Soyoil up 52; Palm oil down 40; Corn down 8 -- Malaysian palm oil prices overnight were down 172 ringgit (-4.28%) at 3850.

There were no changes in registrations. Registration total: 3,056 SRW Wheat contracts; 0 Oats; 0 Corn; 126 Soybeans; 39 Soyoil; 278 Soymeal; 5 HRW Wheat.

Preliminary changes in futures Open Interest as of November 17 were: SRW Wheat up 1,316 contracts, HRW Wheat down 2,233, Corn down 15,307, Soybeans up 5,433, Soymeal up 1,319, Soyoil down 6,867.

*Brazil Grains & Oilseeds Forecast:* Showers will continue over central Brazil for the next week while southern areas stay dry through the weekend. A cold front will bring scattered showers to southern areas early next week before turning drier again. With the recent showers, the dryness in the south will not be concerning just yet.

*Argentina Grains & Oilseeds Forecast:* Soil moisture is still below normal for most of Argentina despite recent showers. A weak front will allow for some isolated showers to return to southern areas for the next few days before a front pushes the showers out Sunday into Monday. Rainfall will be scattered and not all areas are expected to be hit. The dryness and drought continue to be concerns until showers become more consistent.

*Northern Plains Forecast:* Light snow continues in the Northern Plains over the next couple of days as a couple of reinforcing shots of cold air move through. Temperatures will start to moderate next week but snowpack is likely to keep temperatures down.

*Central/Southern Plains Forecast:* Temperatures well-below normal continue in the Central and Southern Plains through the weekend as a couple of reinforcing shots of cold air move through along with some light snow. Temperatures will moderate next week and will go back above normal again. Wheat may be slipping into dormancy in poor condition, though.

*Midwest Forecast:* Another push of very cold air will come through the Midwest Thursday and Friday with more snow showers. Lake-effect snow will continue through the weekend. Wheat is finding cause to go dormant this week. Temperatures will moderate for most places next week.

The player sheet for Nov. 17 had funds: net sellers of 5,500 contracts of SRW wheat, sellers of 6,000 soybeans, sellers of 1,000 soymeal, and sellers of 5,000 soyoil.

	Corn	Soybeans	Wheat	Soymeal	Soyoil
Nov. 17	0	-6,000	-5,500	-1,000	-5,000
Nov. 16	-2,000	-11,000	-5,000	-2,000	-8,000
Nov. 15	+5,000	+8,000	+4,000	+2,500	+2,500
Nov. 14	-2,500	-3,500	+1,500	-1,000	-4,000
Nov. 11	+3,000	+8,500	+3,500	+1,500	+3,500

#### **TENDERS**

- WHEAT TENDER: Tunisia's state grains agency has issued an international tender to buy 100,000 tonnes of barley.
- WHEAT TENDER: A government agency in Pakistan has issued a new international tender to purchase and import 500,000 tonnes of wheat

#### **PENDING TENDERS**

- RICE TENDER: South Korea's Agro-Fisheries & Food Trade Corp issued an international tender to purchase an estimated 50,500 tonnes of rice to be sourced from the United States.
- FOOD WHEAT TENDER: Japan's Ministry of Agriculture, Forestry and Fisheries (MAFF) is seeking to buy a total of 94,687 tonnes of food-quality wheat from the United States and Canada in regular tenders that will close on Nov. 17.

#### **US BASIS/CASH**

- Spot basis bids for soybeans shipped by barge to U.S. Gulf export terminals dropped on Thursday amid lackluster purchases from top importer China, traders said.
  - Traders said Chinese demand looked mostly quiet.
  - "The soybean market is facing an export window that is on the verge of closing and by December we expect to see Chinese buyers switching the majority of their buying to Brazil for shipment during the Feb/April period," said Tomm Pfitzenmaier, analyst for Summit Commodity Brokerage.
  - In the week ended Nov. 10, weekly U.S. soybean sales to China were 1.5 million tonnes, up from 927,113 tonnes a week earlier, the U.S. Department of Agriculture said.
  - Overall weekly U.S. soy and corn export sales to all destinations last week topped analysts' estimates, while wheat sales were at the low end of expectations.
  - CIF soybean barges loaded in November were bid at about 157 cents over January, down 7 cents. December barge bids were down 6 cents, at 146 cents per bushel over futures.
  - Export premiums for soybeans shipped in the last half of December were nominally quoted at around 195 cents over futures, down 5 cents.
  - CIF corn barges loaded in November were bid at about 131 cents per bushel over December futures, down 2 cents.
  - January corn export premiums in the FOB market were quoted at around 148 cents per bushel over March, down 2 cents.
- Spot basis bids for corn were mixed on Thursday, rising at river terminals and interior elevators around the western half of the U.S. Midwest, grain dealers said.
  - But basis bids were steady to weaker at processors west of the Mississippi River, falling by 15 cents a bushel in Blair, Nebraska.
  - The corn basis held steady in the eastern half of the region.
  - Soybean bids were steady to firm at processors, rising by 10 cents a bushel in Lafayette, Indiana, and flat at elevators and river terminals.
  - Farmer sales of both commodities were slow, an Ohio dealer said.
  - Weakness in the futures market has deterred growers from making new deals for their recently harvested crops, he added.
- Spot basis bids for soybeans rose at processors, river terminals and interior elevators around the eastern half of the U.S. Midwest on Thursday morning, dealers said.
  - The soybean basis was flat in areas west of the Mississippi River.
  - Bids for corn delivered on the cash market were strong at ethanol plants, steady to firm at processors and river terminals, and flat at the region's processors.
  - Farmer sales of both commodities were slow, with weakness in the futures market cutting into cash prices.
  - Most growers have been content to place newly harvested crops straight into storage bins this fall rather than committing to new sales, grain dealers said.
- Spot basis bids for hard red winter wheat held steady at rail and truck market terminals across the southern U.S. Plains on Thursday.

- Country movement was light, with cash prices too low to entice farmers to book deals for crops held in storage bins since the summer harvest.
- Dealers said most farmers were holding out to see if prices rally before they needed to clear out the storage bins.
- Protein premiums for hard red winter wheat delivered by rail to or through Kansas City fell 5 cents a bushel for wheat with protein content of 13.8% or 14%, according to CME Group data.
- Premiums were unchanged for all other protein grades.
- Spot basis offers for U.S. soymeal delivered by rail or truck were flat on Thursday, dealers said.
  - CIF offers for soymeal shipped by barge to the U.S. Gulf were weaker.
  - The FOB basis for supplies loaded onto oceangoing vessels at the Gulf also weakened.
  - Activity on the cash market was quiet, a rail broker said.
  - Most end users had already booked enough supplies to last them through next week's U.S. Thanksgiving holiday, dealers said.

**US Sold 3.03M Tons of Soybeans Last Week; 1.17M of Corn: USDA**

USDA releases net export sales report on website for week ending Nov. 10.

- Soybean sales rose to 3,030k tons vs 795k in previous week
- Corn sales rose to 1,170k tons vs 265k in previous week
- All wheat sales fell to 290k tons vs 323k in previous week

Corn:	Nov. 10	Nov. 3	Year Ago	Weekly Chg	Yearly Chg
Total net sales	1,169.7	265.3	1,044.6	904.4	125.1
Old crop	1,169.7	265.3	904.6	904.4	265.1
New crop	0.0	0.0	140.0	0.0	-140.0
Outstanding sales	11,243.9	10,638.6	25,676.0	605.3	-14,432.1
Old crop	10,932.9	10,327.6	25,201.1	605.3	-14,268.2
New crop	311.0	311.0	474.9	0.0	-163.9
Exports weekly	564.4	259.4	1,167.7	305.0	-603.3
Exports accumulated	4,966.5	4,402.1	7,779.2	564.4	-2,812.7
<b>Soybeans:</b>					
Total net sales	3,030.1	794.8	1,374.9	2,235.3	1,655.2
Old crop	3,030.1	794.8	1,382.7	2,235.3	1,647.4
New crop	0.0	0.0	-7.8	0.0	7.8
Outstanding sales	21,397.9	20,449.6	18,090.9	948.3	3,307.0
Old crop	21,397.9	20,449.6	18,048.9	948.3	3,349.0
New crop	0.0	0.0	42.0	0.0	-42.0
Exports weekly	2,081.8	2,752.3	2,344.2	-670.5	-262.4
Exports accumulated	14,585.9	12,643.0	16,557.2	1,942.9	-1,971.3
<b>All Wheat:</b>					
Total net sales	290.3	322.5	399.1	-32.2	-108.8
Old crop	290.3	322.5	399.1	-32.2	-108.8
New crop	0.0	0.0	0.0	0.0	0.0
Outstanding sales	3,723.1	3,551.3	4,440.3	171.8	-717.2
Old crop	3,699.1	3,527.3	4,417.8	171.8	-718.7
New crop	24.0	24.0	22.5	0.0	1.5
Exports weekly	118.6	151.5	310.9	-32.9	-192.3
Exports accumulated	9,085.2	8,966.6	9,274.5	118.6	-189.3

#### US Export Sales of Soybeans, Corn and Wheat by Country

The following table shows US export sales of soybeans, corn and wheat by biggest net buyers for week ending Nov. 10, according to data on the USDA's website.

- China bought 1.54m tons of the 3.03m tons of soybeans sold in the week
- Mexico was the top buyer of corn and also led in wheat

Biggest Buys					
Soybeans		Corn		Wheat	
Net Sales	3,030.1	Net Sales	1,169.7	Net Sales	290.3
China	1,542.4	Mexico	919.8	Mexico	68.4
Mexico	455.5	Canada	91.3	Japan	62.6
Unknown	397.6	Saudi Arabia	65.0	Chile	60.0
Germany	138.9	Japan	47.2	Thailand	51.5
South Korea	108.8	Panama	26.0	Philippines	33.1

Biggest Cancellations					
Soybeans		Corn		Wheat	
Venezuela	-1.8	Colombia	-19.5	Nigeria	-12.0

#### US Export Sales of Pork and Beef by Country

The following table shows US export sales of pork and beef product by biggest net buyers for week ending Nov. 10, according to data on the USDA's website.

- Mexico bought 15.3k tons of the 26.2k tons of pork sold in the week
- Mexico led in beef purchases

Biggest Buys			
Pork		Beef	
Net Sales	26.2	Net Sales	17.3
Mexico	15.3	Mexico	5.6
Japan	4.3	South Korea	3.7
Canada	1.9	Japan	2.7
Dom. Rep.	1.1	Canada	1.8
Colombia	1.1	Hong Kong	0.7

Biggest Cancellations			
Australia	-0.2	Colombia	-0.2
U.K.	0.0	Jordan	0.0

China Oct. Corn Imports 550,000 Tons, -57.9% Y/y

General Administration of Customs says on website.

- China Oct. Corn Imports 550,000 Tons, -57.9% Y/y

- YTD corn imports fell 27.5% y/y to 19.01m tons
- Oct. wheat imports 1.24m tons, +157.4% y/y
  - YTD wheat imports fell 2.6% y/y to 7.87m tons
- Oct. sugar imports 520,000 tons, -35.8% y/y
  - YTD sugar imports fell 13.4% y/y to 4.02m tons
- Oct. cotton imports 130,000 tons, +104.1% y/y
  - YTD cotton imports fell 17% y/y to 1.59m tons
- Oct. edible palm oil imports 480,000 tons, +33.5% y/y
  - YTD edible palm oil imports fell 39.8% y/y to 2.27m tons
- Oct. rice imports 400,000 tons, +26.6% y/y
  - YTD rice imports rose 39.9% y/y to 5.45m tons
- Oct. barley imports 340,000 tons, -74.3% y/y
  - YTD barley imports fell 52.2% y/y to 4.75m tons
- Oct. sorghum imports 610,000 tons, -26.4% y/y
  - YTD sorghum imports rose 16.6% y/y to 9.54m tons
- Oct. pork imports 160,000 tons, -20.6% y/y
  - YTD pork imports fell 58.8% y/y to 1.38m tons
- Oct. beef imports 250,000 tons, +22% y/y
  - YTD beef imports rose 12.9% y/y to 2.2m tons
- Oct. fertilizer exports 2.93m tons, -8.9% y/y
  - YTD fertilizer exports fell 31.1% y/y to 20.19m tons

	Oct.	Sept.	Aug.	July	June	May
	2022	2022	2022	2022	2022	2022
	<b>Imports Volume ('000 Tons)</b>					
Corn	550	1,530	1,800	1,540	2,210	2,080
Wheat	1,240	370	530	780	520	670
Rice	400	490	480	500	660	660
Soybeans	4,140	7,720	7,170	7,880	8,250	9,670
Edible oil	740	780	500	530	250	320
Soybean oil	0	0	30	50	40	10
Rapeseed oil	80	50	50	70	70	120
Sugar	520	780	680	280	140	260
Paper pulp	2,270	2,500	2,610	2,180	2,350	2,420
Cotton	130	90	110	120	160	180
Copper concentrate	1,870	2,270	2,270	1,900	2,060	2,190
	<b>Imports Volume (YoY%)</b>					
Corn	-57.9%	-56.6%	-44.4%	-46.3%	-38.2%	-34.1%
Wheat	157.4%	-42.2%	-25.4%	-11.7%	-31.3%	-14.6%
Rice	26.6%	29.0%	34.8%	72.0%	120.0%	98.7%
Soybeans	-19.0%	12.2%	-24.5%	-9.1%	-23.1%	0.7%
Edible oil	21.4%	-1.0%	-43.6%	-35.4%	-75.0%	-67.2%
Soybean oil	-93.5%	-92.7%	-76.0%	-70.2%	-83.6%	-92.9%
Rapeseed oil	3.2%	-58.7%	-59.9%	-55.6%	-71.5%	-45.7%
Sugar	-35.8%	-10.7%	35.8%	-35.2%	-66.7%	42.7%
Paper pulp	0.7%	8.3%	4.2%	-3.4%	-6.4%	-9.6%
Cotton	104.1%	19.4%	24.9%	-17.0%	-4.4%	6.8%
Copper concentrate	4.6%	7.8%	20.6%	0.6%	23.4%	12.7%

### Argentina Needs More Rain to Fulfill Soy Planting Plans: Bourse

Rains in the last few days on the Pampas crop belt were uneven, meaning large areas still require precipitation in the short term to plant soybeans, the Buenos Aires Grain Exchange said in a weekly report.

- The rains did spur seeding on many farms
  - 12% of soybeans have been planted, more than 16ppts behind this stage last season
- The water will help early corn already in the ground and provide moisture for sowing late corn from the start of December
- Precipitation halted deterioration of wheat plants
  - Yields will stabilize, rather than improve; output seen unchanged at 12.4m metric tons

- Wheat harvest is 10% complete

	Latest	Prior	Weekly Net Chg	Previous Year
<b>2022-23 Corn Crop:</b>				
Planted (M Ha)	7.3	7.3	0.0	7.7
Planted (% Complete)	23.6%	23.4%	0.2	n/a
<b>2022-23 Soybean Crop:</b>				
Planted (M Ha)	16.7	16.7	0.0	16.3
Planted (% Complete)	12.0%	n/a	n/a	n/a
<b>2022-23 Wheat Crop:</b>				
Production (M Tons)	12.4	12.4	0.0	22.4
Harvested (% Complete)	10.0%	n/a	n/a	n/a

**Argentina sees 2022/23 wheat harvest shrinking 39% on droughts, frosts**

Argentina's wheat production for the 2022/2023 season is estimated at 13.4 million tonnes, down 39.4% from 22.1 million tonnes harvested in the previous season, the South American country's economy ministry said on Thursday.

Argentina is a key global wheat supplier, but the 2022/23 cereal season has been hit by a drought in some areas dating back to May as well as a series of late frosts recorded in the first half of the southern hemisphere spring.

At the beginning of the month, Argentina authorized agro-export companies to reschedule grain sales for up to 360 days due to fears it would not be possible to supply both foreign and domestic demand amid a lack of grains.

Producers have already started the wheat harvest, which will begin to intensify in the coming weeks and is set to end in January.

Meanwhile, the government increased its soybean planting forecast to 16.5 million hectares, from the 16.3 million hectares projected in its October report.

"Planting accelerated in several areas after the rainfall recorded in recent weeks, while in the regions less benefited by the rains, we expect moisture in the planting beds to improve, in order to progress with planting," the ministry said.

**World Grain Stockpiles Cut by 4M Tons to Eight-Year Low: IGC**

World grain stockpiles in the 2022-23 season are now seen at an eight-year low of 580m tons, versus an October estimate of 584m tons, the International Grains Council said in a report.

- Wheat stockpiles are cut to 282m tons, from 286m tons
  - Production is trimmed slightly, as concerns mount about the crop in Argentina
  - Heavy rains in Argentina are also hurting quality there
- Corn stockpiles cut to 257m tons, from 258m tons

- That's due to a higher feed demand outlook and will put inventories at the smallest in a decade
- Soybean stockpiles kept steady at 54m tons

### **Farmers Face Worry With Risk of US Rail Strike If Deal Fails**

- Farmers are relying on trains to deliver stalled shipments
- Low water levels on Mississippi River already have hit exports

American farmers who already were losing access to export markets due to record-low Mississippi River water levels now face a renewed threat of a US rail strike that would further curb shipments of crops and fertilizer.

The Mississippi River and its tributaries typically handle a trillion pounds of shipments, some of which have shifted to rail as drought prevented barges from floating. However, some rail cargoes were at risk of being halted ahead of a potential strike of 125,000 union members in early December. The two biggest rail worker unions are expected to conclude voting by Nov. 20 on a deal brokered by the White House to stave off a strike.

Any disruptions could further inflame the worst inflation in four decades as food makers run short of supplies while farmers see lower prices with supplies piling up locally.

"We're heavily reliant on rail and particularly reliant on rail right now because of the Mississippi River," Matt Ziegler, manager of public policy at the National Corn Growers Association, said by phone. "This potential strike is coming at an inopportune time with that factor and also the fact that we're finishing up harvest."

Grain shipments on US railroads in the latest week were up 4% from last year and 6% above the three-year average, according to a US Department of Agriculture report Thursday.

Meanwhile, leading industry group the Fertilizer Institute said some of its members received notice from Union Pacific Railroad that it would restrict shipments at some facilities, according to a letter seen by Bloomberg. Kristen South, Union Pacific's director of corporate communications, said in an email that due to congestion, the railroad is asking some customers to voluntarily reduce car inventory and has issued some temporary embargos.

Under the Railway Labor Act, Congress can pass legislation to keep the railroads operating, most likely by imposing a deal that was brokered by Labor Secretary Marty Walsh in September.

The dry river and rail-strike thread are coming as diesel-fuel supplies remain tight, making trucking costs prohibitively expensive. "Logistics in general are a problem," said Lewis Williamson, a managing director at HTS Commodities in Memphis, where water levels hit the lowest ever in October.

Williamson said some food manufacturers that he works with had shut down plants due to issues on the rails, although he declined to specify which ones.

### **Blinken says Russia felt world wouldn't accept refusal to extend grain deal**

U.S. Secretary of State Antony Blinken said on Thursday that Russia agreeing to renew the Black Sea grain deal was a sign that Moscow felt the world would not accept any refusal to extend it.

The grain deal was extended earlier on Thursday.

"Together, we sent a clear message to President Putin that he should extend the Black Sea grain initiative, which was set to expire on Saturday," Blinken told a news conference in Bangkok, ahead of the Asia-Pacific Economic Cooperation (APEC) forum.

"Russia again heard and apparently felt that the world would not accept Moscow refusing to extend the agreement."

Blinken said that through its continued offensives, Russia was ultimately responsible for the "tragic incident" where missiles landed in Poland and killed two people.

"While Russia seems to have heard the G20's message on the grain deal, President Putin continues to ignore global calls for de-escalation, choosing instead to escalate, raining down scores of missiles on infrastructure across Ukraine," he said.

NATO and Poland said the explosions were likely caused by a stray Ukrainian air defence missile, while Ukraine disputes that.

Blinken also said it was too soon to tell whether an amnesty granted to thousands of prisoners, including foreigners like Australian economist Sean Turnell and U.S. citizen Kyaw Htay Oo, says anything about the intentions of the country's military rulers.

"It is the one bright spot in what is otherwise an incredibly dark time, where we see things going from bad to worse."

Asked about possibility of the United States engaging with the junta, Blinken said: "We've seen no evidence to date that the Myanmar regime is interested in engaging."

#### **Farmers in India Boost Winter-Sown Wheat and Oilseeds Acreage**

Farmers in the world's second-biggest wheat grower have planted the crop on 10.15 million hectares (25.1 million acres) of land as of Nov. 18, an increase of almost 15% from a year earlier, according to the farm ministry.

The area allocated to winter-sown pulses has fallen to 7.33 million hectares, from 7.61 million a year earlier, but the planting of oilseeds has increased to 6.68 million hectares from 5.92 million, the ministry said on Friday. Sowing operations are still continuing across the country.

Area for major winter crops, sown in October-November and harvested in March-April:

Winter-sown crops	Acreage 2022 (million hectares)	Acreage 2021 (million hectares)
Wheat	10.15	8.85
Rice	0.80	0.72
Pulses	7.33	7.61
Coarse cereals	1.92	1.98
Mustard	6.33	5.51
Total oilseeds	6.68	5.92
Total crops	26.88	25.08

**India's overall oilmeal exports up 38 pc in 2022-23, rapeseed doubled**

India's overall oilmeal exports so far during the current financial year - April to October - were 38 per cent higher year-on-year at around 1.97 million tonnes, data compiled by vegetable oil industry body The Solvent Extractors' Association of India (SEA) showed.

During the same period last fiscal, the export of oil meals was at 1.43 million tonnes. Oilmeals are basically the residue left over after the extraction of oil from oilseeds, and they are widely used as livestock feed.

In the month of October, exports of the commodity were provisionally reported to be at 213,154 tonnes compared to 157,590 tonnes the same month last year, up by 35 per cent.

It is important to note that the export of rapeseed meal so far in 2022-23 has more than doubled to 1.34 million tonnes compared to 658,230 tonnes same period last year, thanks to record crop and crushing resulted in the highest processing, availability of rapeseed meal for exports.

Currently, India is the most competitive supplier of rapeseed meal to South Korea, Vietnam, Thailand and other far east countries, the vegetable oil industry body said. These three countries are the major importers of Indian oil meals.

"With the likely little further fall in international soybean meal price due to higher crushing, resulting into ample supplies of soybean meal in the International market and expected good Indian soybean crop in current Kharif season with substantial carry forward, crushing and acreage has increased in last few days," it said on soybean meal.

The export of soybean meal from India is expected to pick up rapidly increase in the coming months. The Indian soybean meal has also the advantage of being a non-GM variety and is preferred in certain European countries.

#### **Kenya Approves First GMO Corn Imports After Lifting Ban**

Government to allow importation of 10 million bags of GMO and non-GMO corn duty-free over the next six months, Trade, Investments and Industry Secretary Moses Kuria says at a meeting in Kenyan capital, Nairobi.

Trade department spokesperson didn't immediately respond to calls on Friday, seeking details of how much of the imports would be GMO corn

#### **Ammonia Could Slip If Black Sea Grain Deal Extended**

Global ammonia prices could fall into 1H if UN negotiations successfully renew a grain export deal between Russia and Ukraine that's set to expire this month. In exchange for allowing exports of Ukrainian grain and other farm products from the Black Sea, Russia would be able to use the ammonia pipeline that goes through Ukraine and supplies 15% of the global trade.

#### **Brazil resorts to Russian wheat as drought affects prices in Argentina**

A severe drought, followed by several frost episodes, is expected to cause Argentina's wheat crop to finish 40% below initial estimates, with around 12 million tonnes. As Brazil is the largest consumer of Argentine grain, with purchases close to 6 million tonnes each season, experts indicate that domestic mills, especially in the Northeast region, will need to seek wheat from other sources, such as Russia and the United States.

Although prospects indicate an increase in purchases from other countries as of May 2023, some mills in the Northeast region have already moved and several sources confirm the arrival of seven ships with Russian grain to Brazil in the coming months. "The harvest loss has already

made the Argentine wheat price rise at an unusual time, close to harvest. So, mills in the Northeast have been buying Russian grain, which is cheaper,” said Christian Saigh, head of São Paulo’s wheat industry union (Sindustriço).

On Wednesday, the available Argentine wheat FOB price (without import costs) was priced at \$370 a tonne on average, while the Russian cereal was \$330. The French/European product was priced around \$350 a tonne and the American or Canadian at \$430.

The Argentine harvest begins this month and lasts until January. Usually, trade with Brazil intensifies at the beginning of the year, so Mr. Saigh believes that the product available for export from the neighboring country will run out near May. “The war in Ukraine has made other countries see Argentina as a supplier of wheat, so Brazil has more competition,” he said. Luiz Carlos Pacheco, analyst and partner at T&F Consultoria, recalled that it is difficult to know how much Argentina has available at the moment because the export quota released by the government refers to what the trading companies can buy and not to what has effectively left the country. “Of the 10 million tonnes quota, 8.5 million tonnes were traded and the taxes were already paid. This does not mean that they reached any external destination.”

Last week, the Rosario Board of Trade reduced its forecast for Argentina’s wheat crop by 1.9 million tonnes, to 11.8 million tonnes in 2022/23. The week before, the Buenos Aires Grain Exchange also reduced its estimate by 1.6 million tonnes, to 12.4 million tonnes. The initial calculation for the season was 20.5 million tonnes. In the 2021/22 cycle, the country produced 22.5 million tonnes of wheat.

Despite this scenario, two issues can make the need for Brazilian imports lower than it would be in other historical moments. The first is that Brazil will have a record harvest of wheat, with 9.5 million tonnes, according to the National Supply Company (Conab). This will allow an internal rearrangement of the grain, which is likely to migrate from Rio Grande do Sul to Paraná, where there was also a harvest loss, and São Paulo.

Another point is that the mills are expected to process a lower amount this year in comparison to 2021, due to a reduction in consumption. “Maybe inflation has scared consumers, but the expected increase in demand due to the cash-transfer program Auxílio Brasil did not occur. The market is flat,” said Alexandre Sales, CEO of Ceará-based mill Santa Lúcia.

Santa Lúcia has already imported the 50,000 tonnes it needs this year, but it does not know what 2023 will look like. “We are trying year by year to reduce this dependence on imported grain and have been successful with the incentive to plant in the Northeast region,” said Mr. Sales.

Mr. Saigh, with Sindustrigo, said that the entire industry feels this contraction in consumption after the peaks during the pandemic, in 2020 and 2021. Brazil imported 4.6 million tonnes between January and September, compared to 4.9 million tonnes in the same period in 2021.

Daniel Kummel, CEO of Moinho Araçongas and head of Paraná’s wheat industry union (Sinditriço), recalls that Brazil has a quota of 750,000 tonnes exempt from the Common External Tariff (TEC) for purchases outside the Mercosur and is likely to use it in 2023.

But while Canadian and U.S. wheat can be imported by any region of the country, Russian grain can only be purchased by mills located on the coast. The Ministry of Agriculture restricted the entry of Russian grain a few years ago to mitigate risks with the possible entry of pests, fungi, and weeds.

Mr. Pacheco, from T&F, also recalled that some trading companies will prefer not to buy Russian grain while the war continues for fear of restrictions from Western governments. “We

know that multinationals can receive payments even in reals to avoid sanctions on bank payments, but it is always risky.”

**Grain Shipments on Mississippi River Fell 7% Last Week: USDA**

Shipments along the Mississippi river declined to 592k tons in the week ending Nov. 12 from 639k tons the previous week, according to the USDA’s weekly grain transportation report.

- Barge shipments of corn rose 22% from the previous week
- Soybean shipments down 17% w/w
- St. Louis barge rates were \$40.90 per short ton, slightly up from the previous week

	Nov. 12	Nov. 5	Weekly	YTD	YTD	YTD YOY
	2022	2022	% Chg	2022	2021	% Chg
<b>Total</b>	592	639	-7.4%	27,740	31,496	-11.9%
<b>Corn</b>	239	197	21.5%	14,579	21,089	-30.9%
<b>Wheat</b>	0	0	n/a	1,499	1,518	-1.3%
<b>Soybeans</b>	353	424	-16.8%	11,434	8,643	32.3%
<b>Other</b>	0	18	-100.0%	227	245	-7.3%

- The following shows spot rates for downbound barges, figures are in US dollars per short ton:

	Nov. 15	Nov. 8	Nov. 16	Weekly	Yearly
	2022	2022	2021	% Chg	% Chg
<b>St. Louis</b>	\$40.90	\$40.73	\$14.44	0.4%	183.1%
<b>Twin Cities</b>	\$61.90	\$58.50	\$27.17	5.8%	127.8%
<b>Mid-Mississippi</b>	\$59.85	\$56.75	\$24.58	5.5%	143.5%
<b>Lower Illinois River</b>	\$55.97	\$56.45	\$21.20	-0.9%	163.9%
<b>Cincinnati</b>	\$51.88	\$51.98	\$21.57	-0.2%	140.5%
<b>Lower Ohio</b>	\$44.69	\$44.78	\$18.58	-0.2%	140.5%
<b>Cairo-Memphis</b>	\$29.88	\$30.09	\$10.27	-0.7%	191.0%

**US Crops in Drought Area for Week Ending Nov. 15: USDA**

The following table shows the percent of US agricultural production within an area that experienced drought for the week ending Nov. 15, according to the USDA’s weekly drought report.

- Winter wheat area experiencing moderate to intense drought rose a percentage point to 75%
- Cattle area was at 73% and hog area at 67%

	Nov. 15	Nov. 8	Nov. 1	Oct. 25	Oct. 18
	2022	2022	2022	2022	2022
Corn	67%	67%	71%	70%	62%
Soybeans	69%	69%	71%	71%	61%
Winter wheat	75%	74%	74%	74%	70%
Spring wheat	77%	79%	79%	75%	75%
Durum wheat	90%	91%	91%	91%	91%
Sorghum	80%	81%	82%	80%	77%
Cotton	67%	70%	68%	68%	62%
Cattle	73%	74%	76%	76%	74%
Hogs	67%	66%	72%	71%	62%

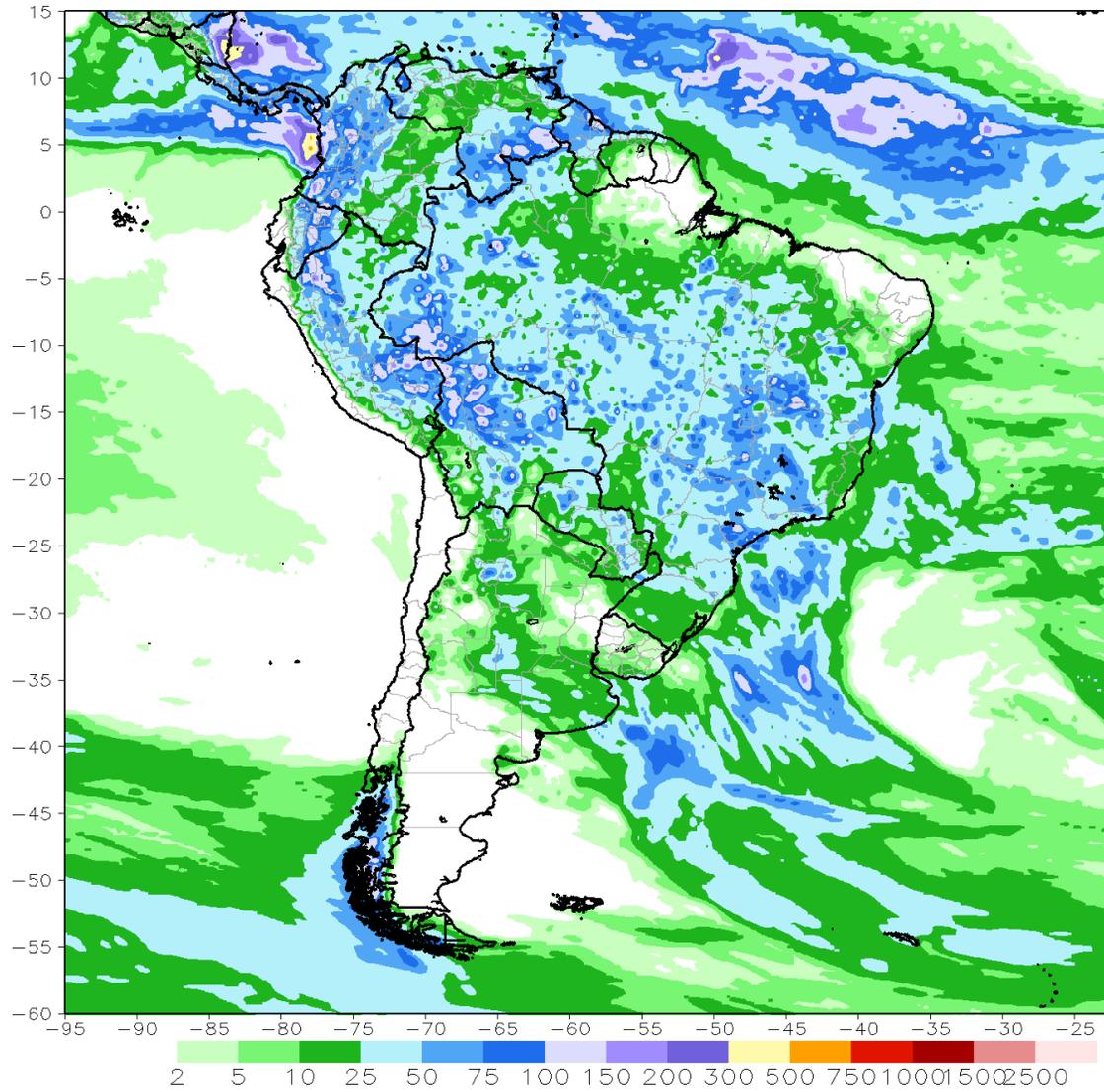
The following table shows the percent of overall land area in the lower 48 states in various drought conditions: Severe (D2) to exceptional drought (D4) for week ending Nov. 15.

	Week of	Last	3 mos	Start	Year
	Nov. 15	week	ago	of year	ago
D4	2.8%	3.0%	3.9%	1.2%	5.3%
D3-D4	13.9%	14.2%	17.3%	12.2%	17.2%
D2-D4	32.9%	34.8%	34.8%	36.3%	32.5%
D1-D4	59.1%	60.3%	49.2%	57.5%	48.8%
D0-D4	81.9%	85.0%	66.6%	73.4%	63.5%
None	18.1%	15.0%	33.4%	26.6%	36.5%

**SOUTH AMERICA**

# GFS week1 Total Rainfall (mm)

Period: 00z19Nov2022 - 00z25Nov2022



# Precipitation Forecasts

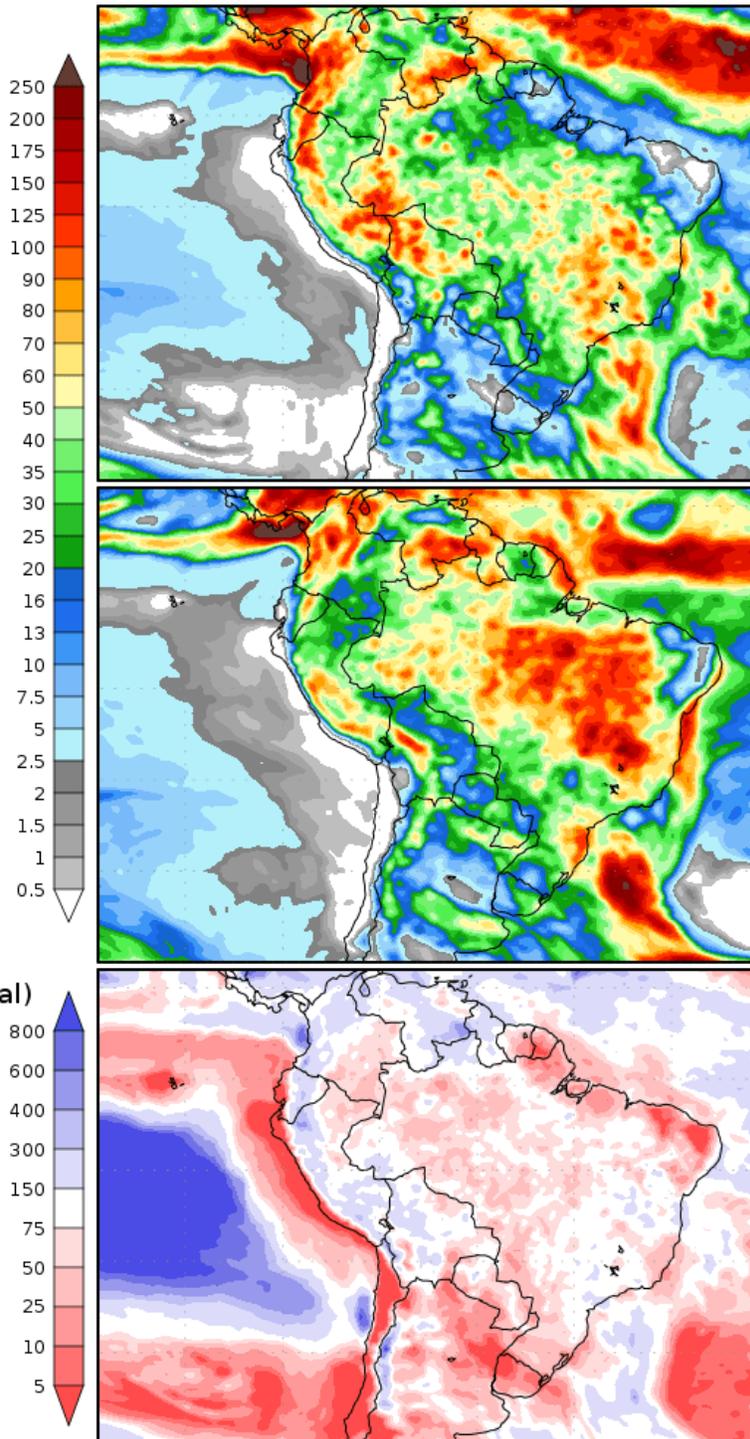
Precipitation (mm)  
during the period:

Fri, 18 NOV 2022 at 00Z  
-to-  
Sat, 26 NOV 2022 at 00Z

Sat, 26 NOV 2022 at 00Z  
-to-  
Sun, 04 DEC 2022 at 00Z

Precipitation (% of normal)  
during the first period:

Fri, 18 NOV 2022 at 00Z  
-to-  
Sat, 26 NOV 2022 at 00Z



Precipitation forecasts from the National Centers for Environmental Prediction  
Normal rainfall derived from Xie-Arkin (CMAP) Monthly Climatology for 1979  
Forecast Initialization Time: 00Z18NC

# Temperature Forecasts

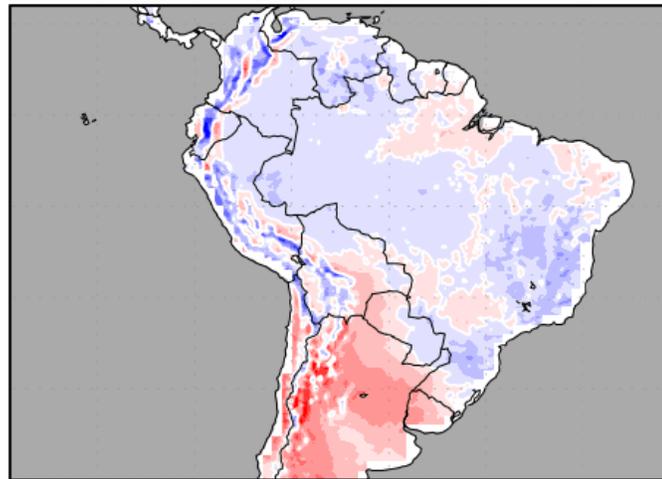
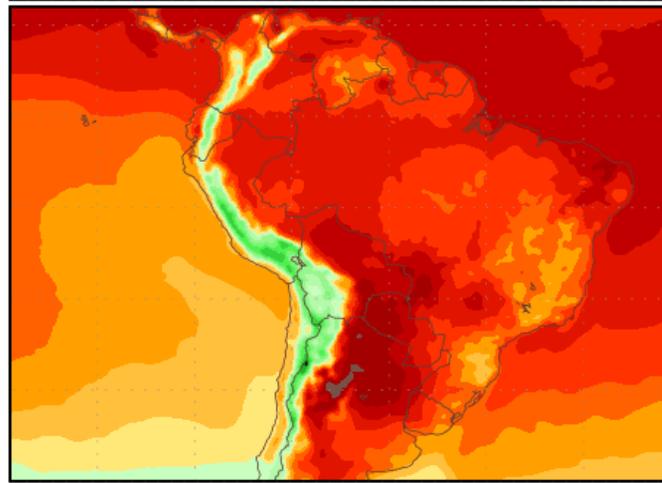
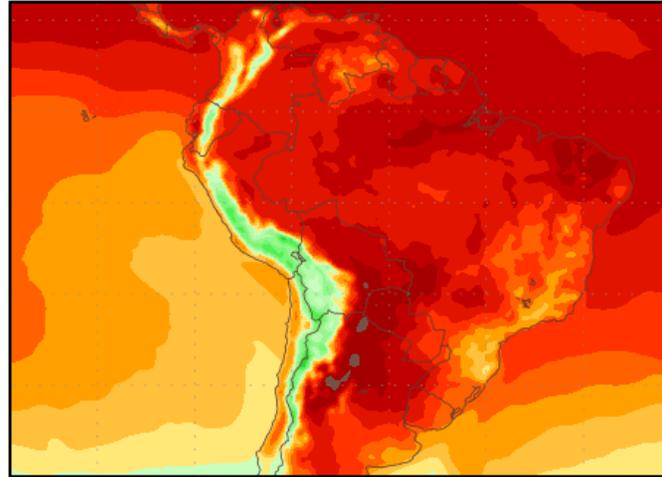
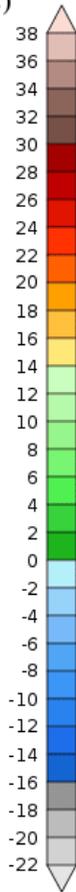
Mean Surface Temperature (°C)  
during the period:

Fri, 18 NOV 2022 at 00Z  
-to-  
Sat, 26 NOV 2022 at 00Z

Sat, 26 NOV 2022 at 00Z  
-to-  
Sun, 04 DEC 2022 at 00Z

Temperature Anomaly  
during the first period:

Fri, 18 NOV 2022 at 00Z  
-to-  
Sat, 26 NOV 2022 at 00Z

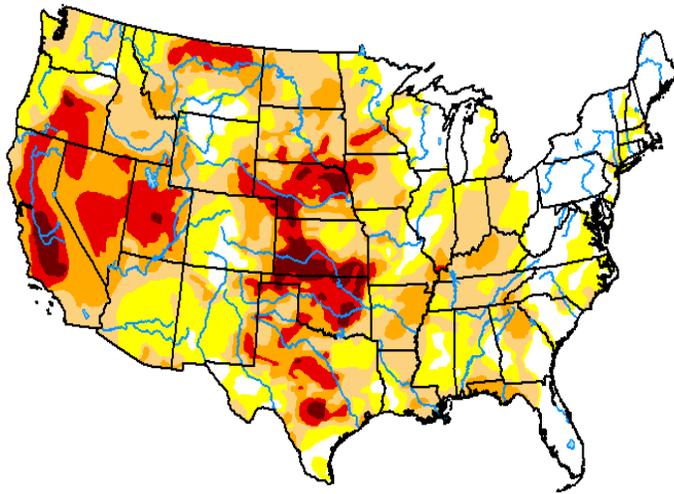


Temperature forecasts from the National Centers for Environmental Prediction  
Normal Temperature derived from CRU monthly climatology for 1901-1999  
Forecast Initialization Time: 00Z18NC

UNITED STATES

*U.S. Drought Monitor*  
**CONUS**

**November 15, 2022**  
*(Released Thursday, Nov. 17, 2022)*  
Valid 7 a.m. EST



*Intensity:*

-  None
-  D0 Abnormally Dry
-  D1 Moderate Drought
-  D2 Severe Drought
-  D3 Extreme Drought
-  D4 Exceptional Drought

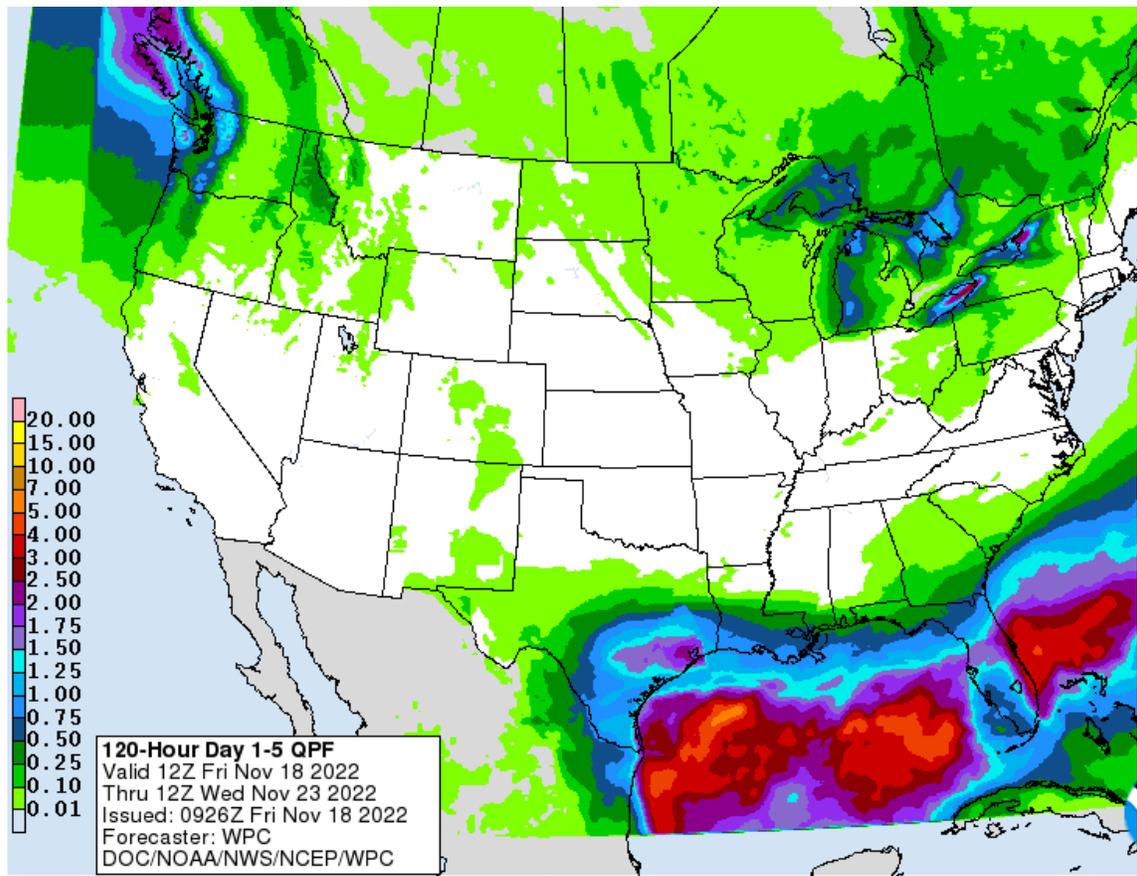
*The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to <https://droughtmonitor.unl.edu/About.aspx>*

*Author:*

Brad Rippey  
U.S. Department of Agriculture



[droughtmonitor.unl.edu](https://droughtmonitor.unl.edu)



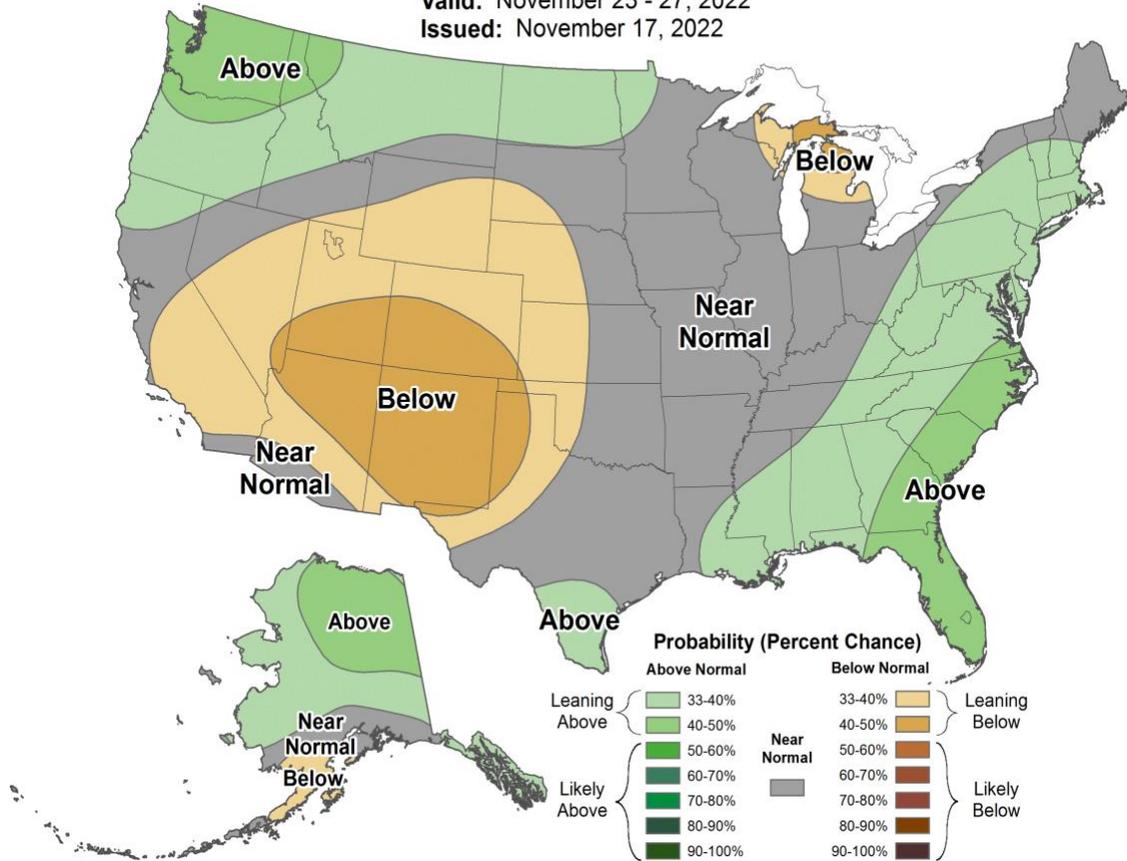


# 6-10 Day Precipitation Outlook



Valid: November 23 - 27, 2022

Issued: November 17, 2022



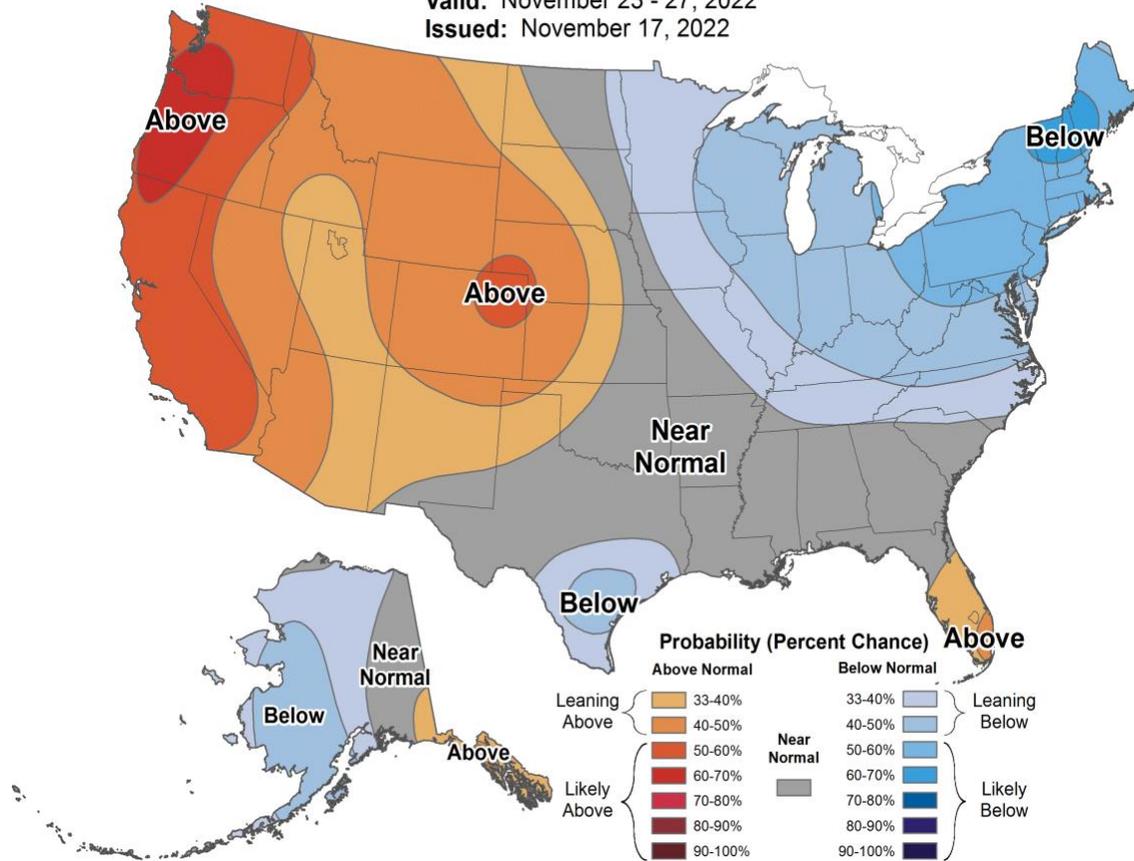


# 6-10 Day Temperature Outlook



Valid: November 23 - 27, 2022

Issued: November 17, 2022



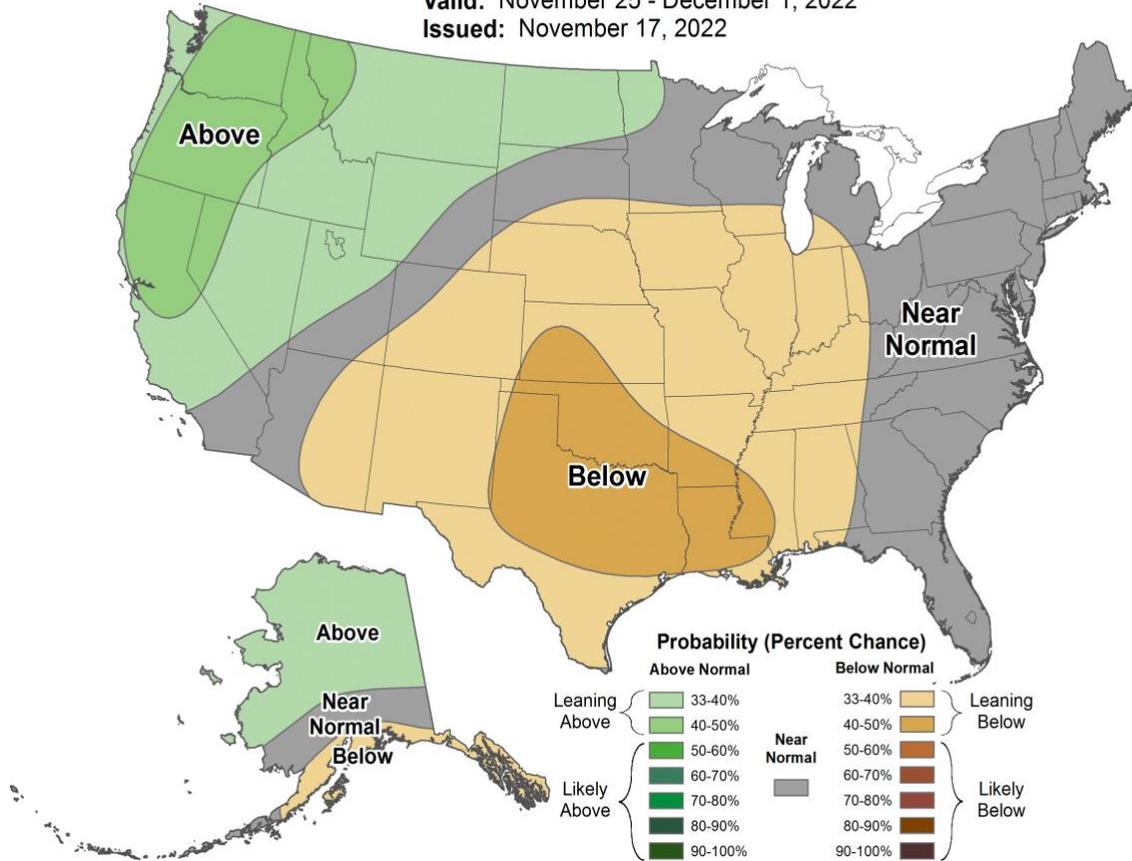


# 8-14 Day Precipitation Outlook



Valid: November 25 - December 1, 2022

Issued: November 17, 2022

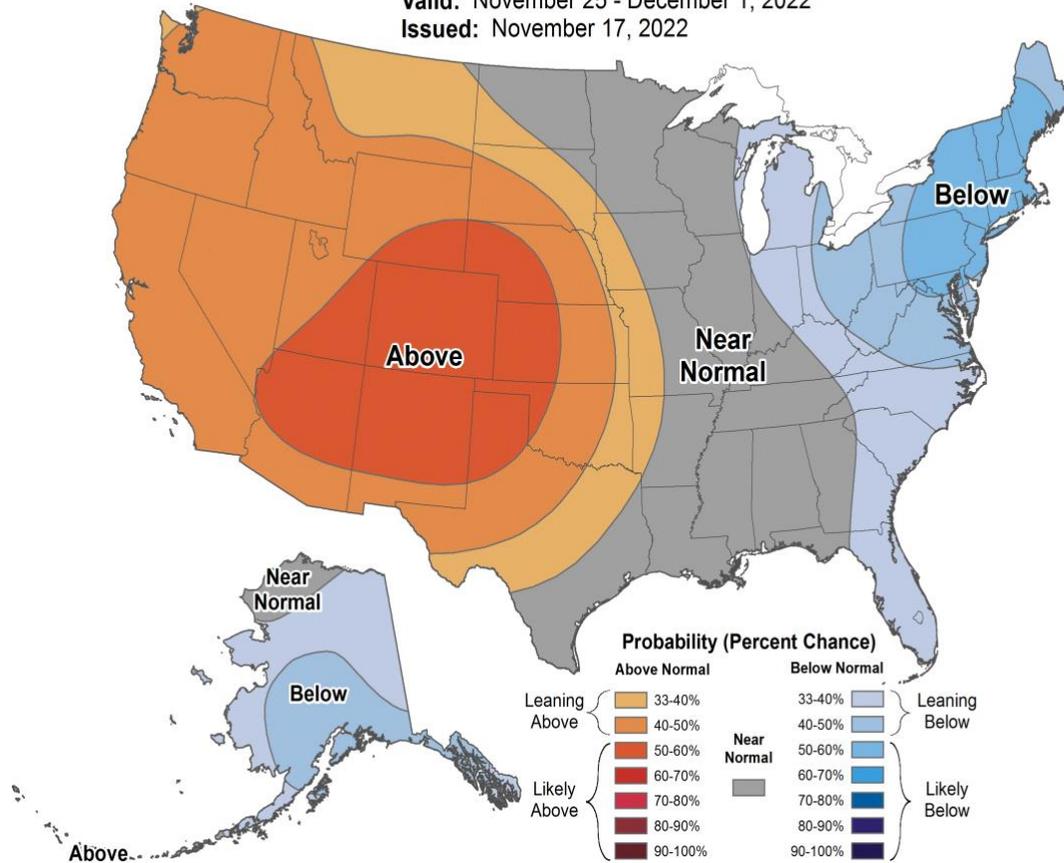




# 8-14 Day Temperature Outlook



Valid: November 25 - December 1, 2022  
Issued: November 17, 2022



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