

MAY, 2022

BRINGING YOU THE LATEST IN
THE GRAIN MARKETS TO KEEP
YOU CONNECTED TO YOUR
COOPERATIVE



MAY'S WASDE REPORT

REPORT SUMMARY

LANE AVENATTI



Corn:

This report for old crop corn was boring, to say the least. Our carryout remained constant at 1.440 bbu. Many believed that exports and ethanol were going to increase, but that was not the case. World carryout for the 21/22 crop was seen at 309.39 mmt, which is roughly a 4 mmt increase. The USDA kept Brazil's corn crop constant at 116 mmt. There is some speculation that that number should have dropped given Brazil's hot and dry weather.

The big surprise was in the new crop production numbers. The USDA changed the yield numbers from the February Ag Outlook Forum, which is unprecedented. The new crop yield is expected to be 177, which is the same as last year's yield. The stated reason for the decrease in yield is the planting delays much of the corn belt has faced. Minnesota and the Dakotas haven't been able to get hardly anything in the ground. This decrease in yield puts our carryout for 22/23 at 1.360 bbu. A carryout that small doesn't give us much wiggle room for weather issues. The weather always dictates the market but expect for it to have an even larger effect on the markets this year thanks to the already tight US carryout. World carryout for the 22/23 crop is posted at 305.13 mmt, which is at the top end of expectations. Ukraine is expected to grow 19.5 mmt (less than half of last year) with exports at 9 mmt compared to this year at 23 mmt.

The risk of loss in trading futures and/or options is substantial and each investor and/or trader must consider whether this is a suitable investment. Past performance, whether actual or indicated by simulated historical tests of strategies, is not indicative of future results. We do not guarantee that such information is accurate or complete and it should not be relied upon as such. Trading advice reflects our good faith judgment at a specific time and is subject to change without notice. There is no guarantee that the advice we give will result in profitable trades.

MAY, 2022

BRINGING YOU THE LATEST IN
THE GRAIN MARKETS TO KEEP
YOU CONNECTED TO YOUR
COOPERATIVE



MAY'S WASDE REPORT

REPORT SUMMARY

Beans:

Old crop beans had some small changes. US carryout was reduced to 235 mbu. This change can be credited to a 25 mbu increase in exports. They kept Brazil's production at 125 mmt, while Argentina decreased to 42 mmt. World carryout for the 21/22 crop is 85.24 mmt, which is well below the average trade guess.

New crop beans were right in-line with what was expected. US carryout was posted at 310 mbu, the average trade guess was 317 mbu. The yield remained constant with the Ag Outlook Forum at 51.5. World carryout for the 22/23 crop was posted at 99.6 mmt, which was right in the middle of trade guesses. Beans are in a similar situation as corn. Weather will be a huge deciding factor where this market goes. There was not much posted on beans that was exciting.

Overall, this report was neutral for beans and old crop corn, while new crop corn was bullish.



May WASDE US S&D Numbers

	Planted	Harvested	Yield	CARRYOUT	CARRY/USE	Ave Farm Price/bu
Corn 21/22	93.4	85.4	177	1,440	9.60%	\$5.90
Corn 22/23	89.5	81.7	177	1,360	9.30%	\$6.75
Beans 21/22	87.2	86.3	51.4	235	5.30%	\$13.25
Beans 22/23	91	90.1	51.5	310	6.80%	\$14.40
Wheat 21/22	46.7	37.2	44.3	655	33.90%	\$7.70
Wheat 22/23	47.4	37.1	46.6	619	32.80%	\$10.75

The risk of loss in trading futures and/or options is substantial and each investor and/or trader must consider whether this is a suitable investment. Past performance, whether actual or indicated by simulated historical tests of strategies, is not indicative of future results. We do not guarantee that such information is accurate or complete and it should not be relied upon as such. Trading advice reflects our good faith judgment at a specific time and is subject to change without notice. There is no guarantee that the advice we give will result in profitable trades.