



May Market Update

Corn, Soybeans, Rice, and Cotton

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Pre-WASDE Summary Notes for the 2021/22 Crop Year

While many industry analysts are doing their best to make their most educated guess concerning tight corn and soybean supplies, the May WASDE report will probably not do much to ease market concerns. The May WASDE report is the first new crop report that contains corn and soybean supply estimates. Projected acres will be based on estimates found in the USDA's Planting Report (released in March) and trendline yield projections will most likely be sourced from the USDA's Ag Outlook Forum. Demand should be updated in this report from what we saw in preliminary 2021/22 estimates given at the USDA's Ag Outlook Forum in February.

Fund managers are up big since the rally started last fall. It makes sense to take profits heading into this report. Some in the trade think the markets will see tight soybean stocks year-over-year between old and new crop. Assuming 87.5 million acres and a trendline yield, the USDA could potentially reduce new crop soybean demand down to 120 million bushels for new crop ending stocks.

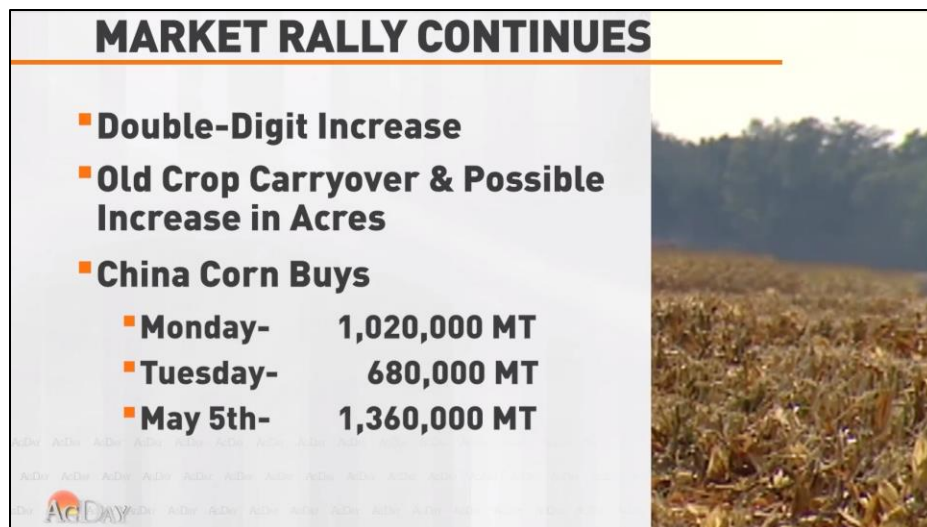
Corn is more of a wild card because, on paper, the balance sheet does not look as tight as soybeans. Wheat can be used as a feed substitute for corn and some in the trade suspect that may be the case when the WASDE is released. It will also be interesting to see how the USDA accounts for a potentially reduced Brazilian safrinha corn crop (second crop) and for the overall loss of corn production in South America.

About 80% of the U.S. corn and soybean belt has recently received beneficial rain with pretty good coverage in Iowa, Illinois and Indiana over the weekend (May 8-9). In addition, the 6-10-day and 8-14-day forecasts are calling for a warmer wetter pattern which would also be considered beneficial. The U.S. forecast, if verified, is bearish in the short term. This does not change the fact U.S. corn and soybean stocks are tight in the old crop position and does not change the fact that the Brazilian safrinha corn crop could be in the making for a major disaster. The fact during April to May corn prices rallied \$2.17 and

soybeans \$2.50. Again, in just a six-week time frame that factors in a lot of that bullish news. A larger correction to the downside in the U.S. corn and soybean markets is possible if the current weather forecast calling for warmer winter conditions comes to pass.

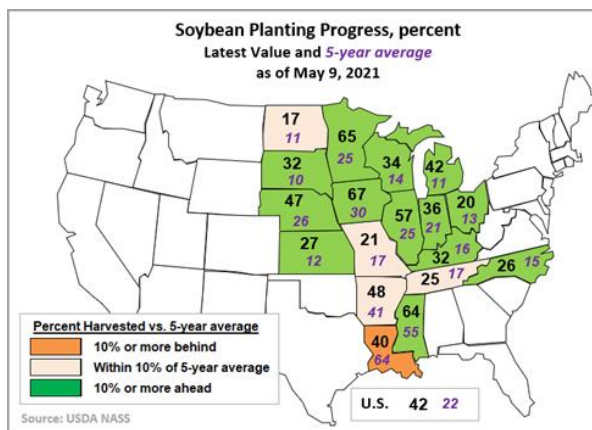
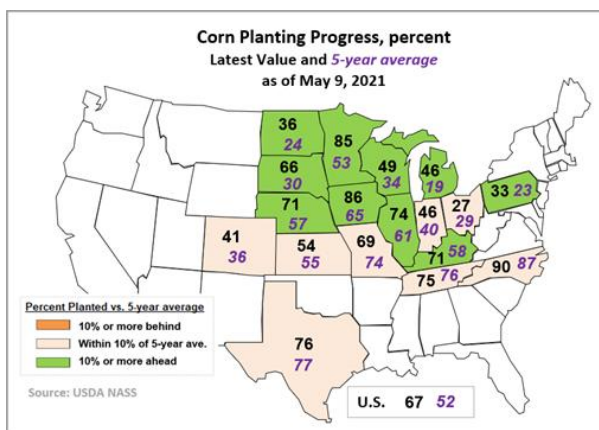
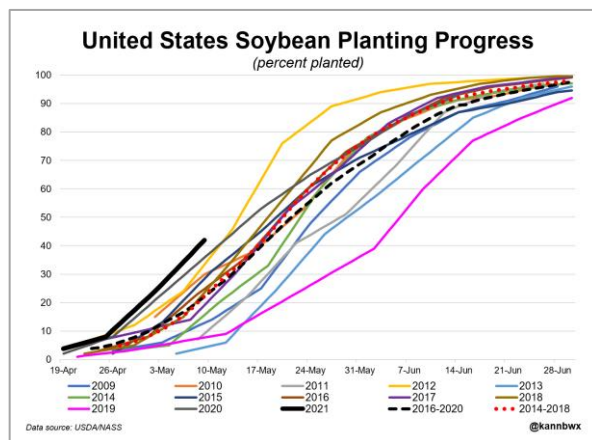
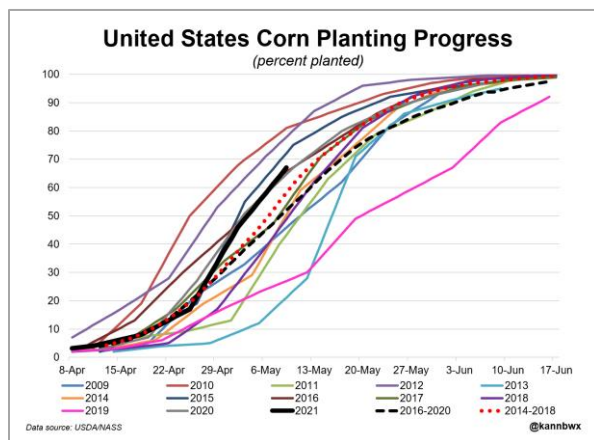
With the recent surge in soybean futures, corn futures are following suit leading up to release of the USDA's latest WASDE report. Corn futures are fractionally up 7 cents higher with old-crop leading gains. Soybeans have roared to yet another set of contract highs, with futures bounding upwards from between 9 to 25 cents, with old-crop leading gains. This comes just one day removed from a session that witnessed corn futures, the positions for which were under pressure just ahead of the release of the USDA's monthly WASDE with reports of technically-driven selling/long liquidation and news of an improved near-term U.S. crop weather outlook which led to some losses. Overall, the market has not given a signal that soybean futures have reached a significant market top. Old crop/new crop spreads strengthened, which is not bearish. Price action is likely to remain highly volatile. Tight carryover supplies for both corn and soybeans will heighten attention on USDA's stocks projection for both marketing years.

The headline on Wednesday morning, May 12th read *"Corn and Soybean markets continue to climb and China continues to buy!"* Markets continue to make speculative moves ahead of the release of USDA new crop balance sheet estimates. Any way one looks at it, the U.S. does not have a lot of corn to sell at the moment in the midst of this market uncertainty- evidenced by the wild spreads in both the May and December contracts as well as in the spot prices. All of this speculation comes at a time when the corn market is still trying to gauge 2022 market conditions.



USDA estimates that corn planting in the U.S. is 67% complete. This puts the current year's corn planting progress 15 percentage points ahead of the five-year average and places early downward pressure on corn futures. Even with this downward pressure on price, concerns remain about world supplies amid deteriorating conditions of Brazil's safrinha corn crop. Likewise, speedy U.S. soybean planting progress of 42%, 20 percentage points over the five-year average put early pressure on soybean futures but between tight old-crop supplies and analysts' expectations that the USDA will peg 2021/22 carryout only marginally above this year's in May's Supply/Demand report have helped to firmly underpin prices. Stronger soymeal prices have helped undergird soybean futures, with July soymeal overnight climbing to its highest level in more than 3-1/2 months. In contrast, soyoil futures, which have largely led soybean prices higher in recent weeks, are under some further pressure from profit taking. Worries about a

potential drought in the U.S. Corn Belt have definitely contributed to the corn/soybean price rally this spring. However, World Weather Inc. notes that the potential for drought in the North America appears to have decreased due to recent warming ocean surface temperatures in the eastern Pacific Ocean, Gulf of Mexico, tropical Atlantic and Northern Indian Ocean.



WASDE Summary Notes for the 2021/22 Crop Year

U.S. old-crop corn supplies dip, soybean supplies are left unchanged, create a mixed market reaction. As a result, CME farm markets changed little from how they were trading before the release of the report. The trade will now shift its focus back to U.S. weather because that will determine the ability to build domestic stocks or if stocks will continue to remain tight as there is no room in the supply and demand tables for U.S. production losses. Therefore, every weather forecast will be monitored closely- not just in the near-term but three to four months down the road. May's WASDE report does little to assuage perceptions that grain inventories are too tight. That is especially true for figures related to the amount of excess supplies for soybeans at the end of the marketing year, which for the 2019-20 marketing year was 48.5 days but is forecast to be only 9.6 days for the 2020-21 marketing year and 11.6 days for the 2021-22 marketing year. These forecasts are made under the assumption of good weather conditions. In essence, the USDA has just confirmed that the grains balance sheet will remain tight with trend line yields.

The U.S. 2021/22 corn crop is projected at 15.0 billion bushels, up from last year on reports of higher area and a return to trend yield. The yield projection of 179.5 bushels per acre is based on a weather-adjusted trend assuming normal planting progress and summer growing season weather, estimated using the 1988-

2020 time period. With beginning stocks that are sharply down from those a year ago, total corn supplies are forecast to increase modestly to 16.3 billion bushels.

Total U.S. corn use in 2021/22 is forecast to decline relative to a year ago as greater domestic use is more than offset by lower exports. Food, seed, and industrial (FSI) use is projected to rise 220 million bushels to 6.6 billion. Corn used for ethanol is projected to increase based on expectations of higher U.S. motor gasoline consumption. Sorghum FSI is unchanged from a year ago as expectations of robust sorghum exports to China limit available domestic supplies. Corn feed and residual use is unchanged, as a larger crop is offset by increased corn used for ethanol and higher expected season-average farm prices received by producers.

U.S. corn exports are forecast to decline 325 million bushels in 2021/22. Unfavorable production prospects are forecast to limit exports out of Argentina and Brazil during 2020/21 (local marketing years beginning March 2021 and ending February 2022), supporting U.S. exports during the first half of 2021/22. However, a 335-million-bushel increase in the combined corn exports for Ukraine and Russia in 2021/22 is expected to increase competition for the United States, reducing the forecast U.S. share of global corn trade from a year ago.

With total U.S. corn supply rising and use declining, 2021/22 U.S. ending stocks are up 250 million bushels from last year. Stocks relative to use at 10.2 percent would be above those levels a year ago but still below the average seen during 2016/17 to 2019/20. **The season-average corn price received by producers in 2021/22 is projected at \$5.70 per bushel, up \$1.35 from a year ago when much of the crop was marketed at lower prices.**

The 2021/22 outlook for U.S. soybeans is for lower supplies, lower exports, higher crush, and higher ending stocks compared with 2020/21. The soybean crop is projected at 4.4 billion bushels, up 270 million from last year on increased harvested area and trend yields. With lower beginning stocks, soybean supplies are projected down 3 percent from 2020/21. Total U.S. oilseed production for 2021/22 is forecast at 130.3 million tons, up 7.9 million from 2020/21.

U.S. soybean crush for 2021/22 is projected at 2.2 billion bushels, 35 million bushels up from the 2020/21 forecast, reflecting favorable crush margins. Soybean oil is expected to hold a higher share of the crush value as prices are buoyed by increased use of soybean oil as a feedstock in an expanding renewable diesel industry. The soybean oil balance sheet line entitled “Biodiesel” is replaced by “Biofuel” this month. The biofuel line includes soybean oil used for both biodiesel and renewable fuels as reported in the U.S. Energy Information Administration’s Monthly Biofuels Capacity and Feedstocks Update, which replaced the Monthly Biodiesel Production Report. Estimates from the previous year regarding renewable fuel are based on data from the U.S. Environmental Protection Agency, the California Air Resource Board, and capacity information from industry.

U.S. soybean exports are forecast at 2.1 billion bushels, 205 million bushels down from 2020/21. With lower soybean supplies and higher crush, the U.S. export share of global soybean trade is expected to decline from 36 percent to 33 percent in 2020/21. U.S. soybean ending stocks for 2021/22 are projected at 140 million bushels, up 20 million from the 2020/21 forecast. With prices for fall delivery above \$14.00 per bushel in some locations, **the 2021/22 U.S. season-average soybean price is projected up \$2.60 per bushel from 2020/21 to \$13.85 per bushel.**

The initial 2021/22 outlook for U.S. rice calls for reduced supplies, exports, domestic use, and ending stocks. Total 2021/22 supplies are projected at 285.0 million cwt, down 2 percent from last year on lower production more than offsetting higher imports and significantly greater beginning stocks. All rice

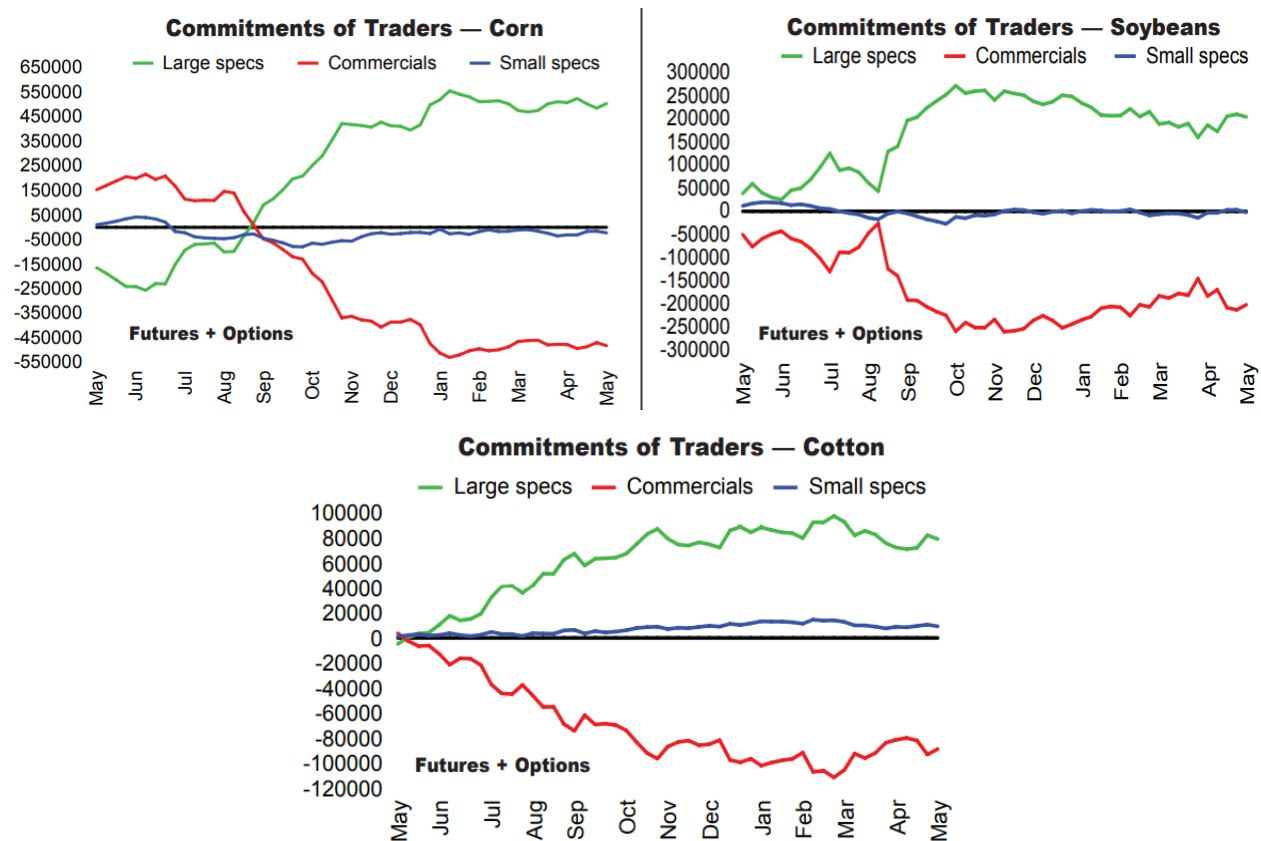
production is projected at 203.6 million cwt, down 11 percent from the previous year on reduced harvested area. The 2021/22 projected all rice yield is 7,651 pounds per acre, up 32 pounds from last year. Total 2021/22 imports are a record 38.5 million cwt with increases in both long-grain and medium- and short-grain. Total 2021/22 U.S. use is projected at 244.0 million cwt, down 2 percent from last year with both domestic and residual use and exports lower.

Total domestic and residual use is projected slightly lower at 156.0 million cwt with reduced supplies but still is the second largest on record. Total exports are projected at 88.0 million cwt on reduced supplies, higher U.S. prices, and increased export competition. All rice 2021/22 ending stocks are projected at 41.0 million cwt, down 4 percent from last year. **The 2021/22 all rice season-average farm price (SAFP) is projected at \$14.20 per cwt, up \$0.30 from the 2020/21 revised SAFP.**

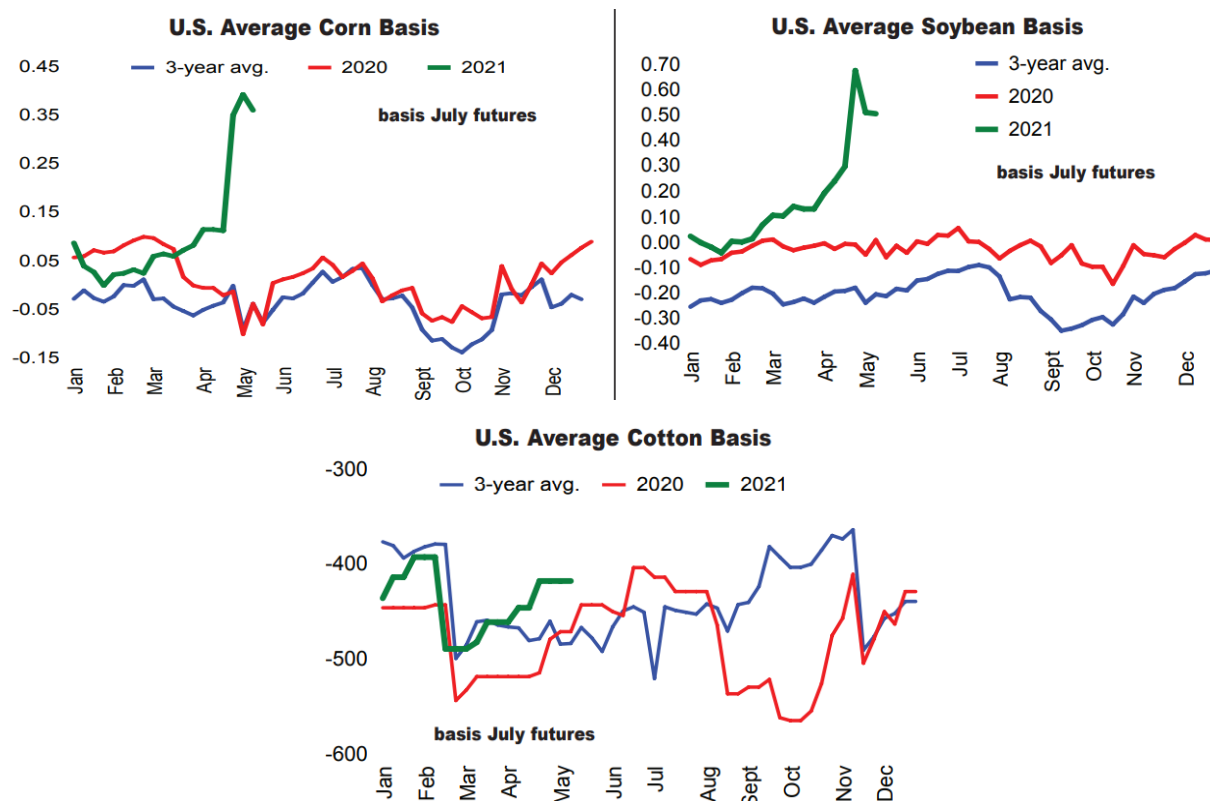
U.S. cotton production in 2021/22 is projected to rise by 2.4 million bales, but total supply is projected at its lowest in 5 years, and both exports and ending stocks are forecast lower than in 2020/21. Production is anticipated at 17.0 million bales, with 12.0 million planted acres as indicated in Prospective Plantings, abandonment projected above the average of the past 5 years, and average yields. Exports are expected to fall 1.6 million bales, to 14.7 million. Domestic mill use is projected to rise 200,000 bales, to 2.5 million, and ending stocks are 200,000 bales lower to 3.1 million. **The upland cotton farm price is 75 cents per pound, 10 percent higher than in 2020/21.**

For 2020/21, U.S. cotton production is reduced slightly from estimates last month. The export forecast was increased 500,000 bales to 16.25 million as the expected U.S. share of world trade rises, and ending stocks are estimated 600,000 bales lower than in April, at 3.3 million.

Commitment of Traders Report, Tuesday, May 11, 2021



Cash Market Basis Charts May 12, 2021



Corn

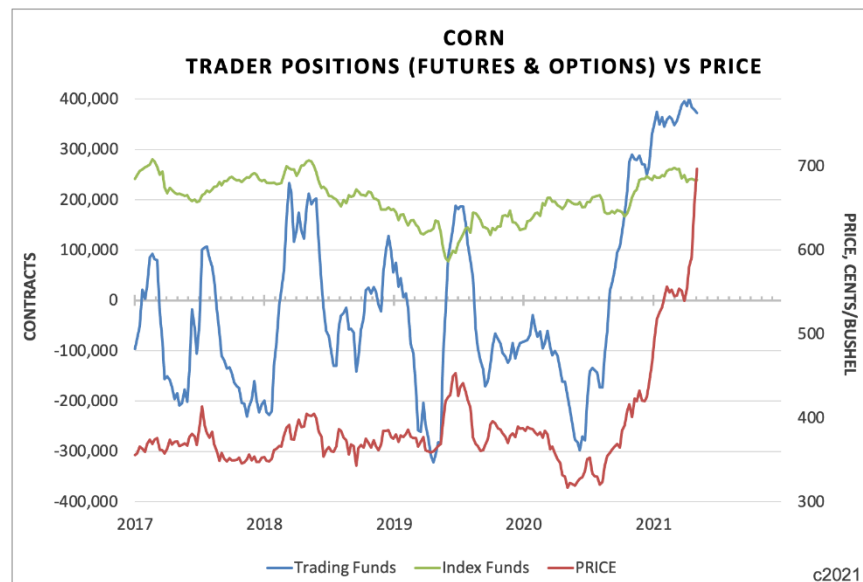
New crop corn demand (exports) is lower than expected in the May WASDE report. Ending stocks are projected to be 1.5 billion bushels which is about 150 million bushels more than what the trade was estimating. These are not bearish numbers but they are not as bullish as traders wanted to see. A 1.5 billion new crop corn carryout and 10% stocks-to-use ratio is right on the line of being tight/adequate. Any loss of yield or increased demand puts new crop into a tight stock situation and possible price rationing.

Most corn futures contracts tumbled by anywhere from 7 ½ to 18 ¼ cents with 2021-crop months being hit hardest as the USDA's monthly supply/demand report failed to provide any fresh bullish news for the market, pegging the 2021-22 U.S. corn carryout toward the high end of trade expectations. Favorable weather for planting and early crop development also weighed on new-crop prices, while tight old-crop stocks and dry conditions in the northwest Corn Belt limited losses. July corn futures finished 7 ½ cents lower at \$7.18 ½, while Dec. corn slid 18 ¼ cents to \$5.93.

The following chart illustrates the daily performance of December corn futures while simultaneously showing the wide range of trade before and following the release of the May WASDE. The initial reaction sent December corn reeling to a 25-cent loss, and ultimately settling 18 ¼ cents lower, as USDA cut new-crop exports by 325 million bushels (DTN ProphetX chart).



Around the latter part of April, industry analysts expected speculators to go on a record buying spree in Chicago corn, but some analysts have concluded that a commercial short squeeze better explained the volatility in price activity. In the week ending April 27th, money managers reduced their net long in CBOT corn futures and options to 378,663 contracts from 383,998 in the prior week according to data published by the U.S. Commodity Futures Trading Commission. Moving into the month of May, CFTC Supplemental Commitments of Traders data show large speculators (non-commercials) were net buyers of nearly 19,000 contracts of corn futures/options during the week ended Tuesday, expanding their large net long position to more than 354,000 contracts. Commercial traders, meanwhile, were net sellers of nearly 18,000 contracts, pushing their huge net short position to nearly 748,000.



The below chart illustrates the long-term monthly corn futures with current new crop (December 2021 contract) levels (blue line) as of May 10th.



Row crops keep pushing into new highs with wheat following closely behind as they test their recent highs. Speculation is that this long-term bull market is at fever pitch and the battle for crop acres is going to become historical in scope.

With Brazil's safrinha (second-season) corn crop currently in pollination amidst wide-spread drought conditions across much of the region, production estimates are declining daily. Demand that would normally flow to Brazil is quickly shifting to U.S. old crop, but U.S. supplies are tight, and there is scant evidence that the demand for old-crop delivery is shifting to new crop.

In fact, the market is seeing a significant surge in new-crop demand while old-crop sales hold tight. Something has to give, but it hasn't happened yet. There is little evidence that demand will slacken, even with corn at nine-year highs and wheat and soybean prices at eight-year highs.

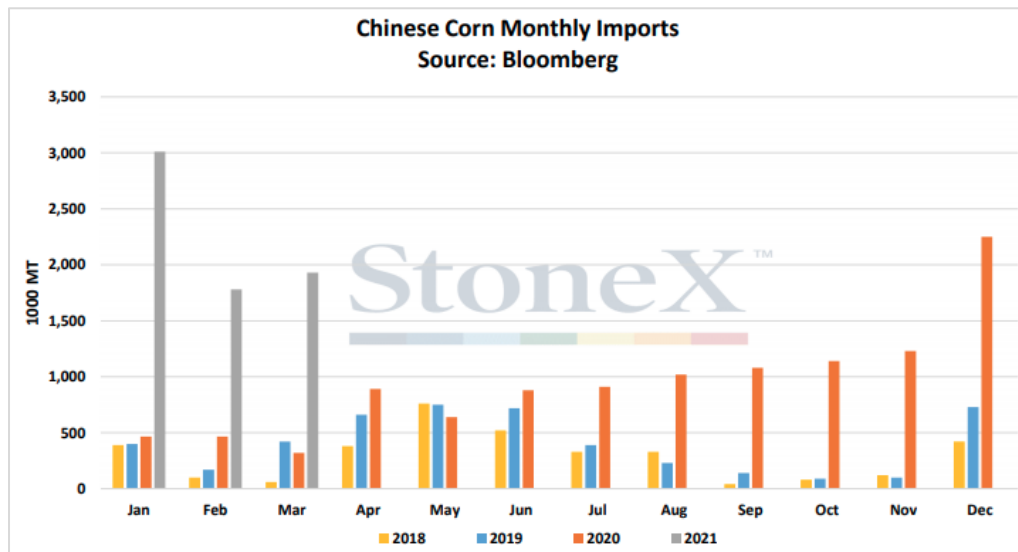
There is talk about a shift in plantings to more corn than projected in the March Prospective Plantings report. That would explain the sudden emergence of bearish spread activity even as prices are setting new multiyear highs. New-crop contracts are taking leadership in corn and soybeans, clearly indicating the desire of both of those markets to bring in more acres.

But where are they going to get them? More corn means less beans, and vice-versa. Neither commodity has sufficient old-crop stocks to be giving up any acreage. Feed grain demand is massive and wheat is being pulled into global feed channels. All grain stocks are in very tight supply, and it is unlikely that one year will fix that problem. The market needs trend line yields this year, at the minimum, just to keep pipeline supplies. Any weather problems in a major producing region would send grain prices sharply higher yet again.

The USDA reports that China's corn imports will likely hit a record-breaking 28 million metric tons for marketing year 2020/2021 as they restock their domestic reserves and deal with rising demand for livestock feed, according to the Beijing office of the USDA's Foreign Agricultural Service. That estimate

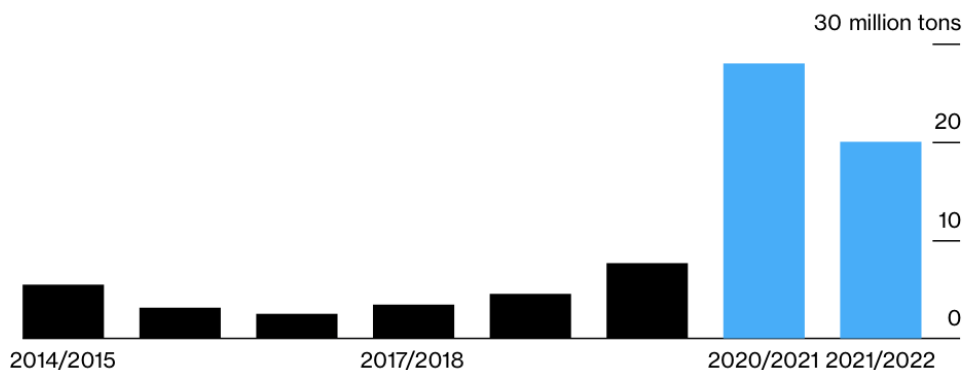
is substantially higher than the forecast of 24 million tons in the USDA's April World Agricultural Supply and Demand Estimates. The 2020/21 marketing year ends August 31st. "Speculators, mills/plants, and local government reserves are building up corn stocks over fears of future supply chain disruptions, and concerns over weather-related issues that could lower production," the FAS analysts said. "Sources indicate that substantial (Chinese) corn imports will be necessary to control further price increases and maintain buffer stocks throughout calendar year 2021."

However, in a Bloomberg News report dated May 7th, Bloomberg reports that Chinese corn imports in the year starting October could slump by almost 30% because of an increase in domestic production and more buying of alternative feed grains such as barley and sorghum, according to sources at the China National Grain and Oils Information Center. The think tank estimated imports in the next marketing year at 20 million tons, down from 28 million tons in 2020/21. The crop being planted now is likely to climb just over 4% from a year earlier to a record 272 million tons as area expands. Overseas purchases of sorghum and barley, not subject to quota restrictions, are seen at 10 million tons each in 2021/22, center data showed.



Buying Binge

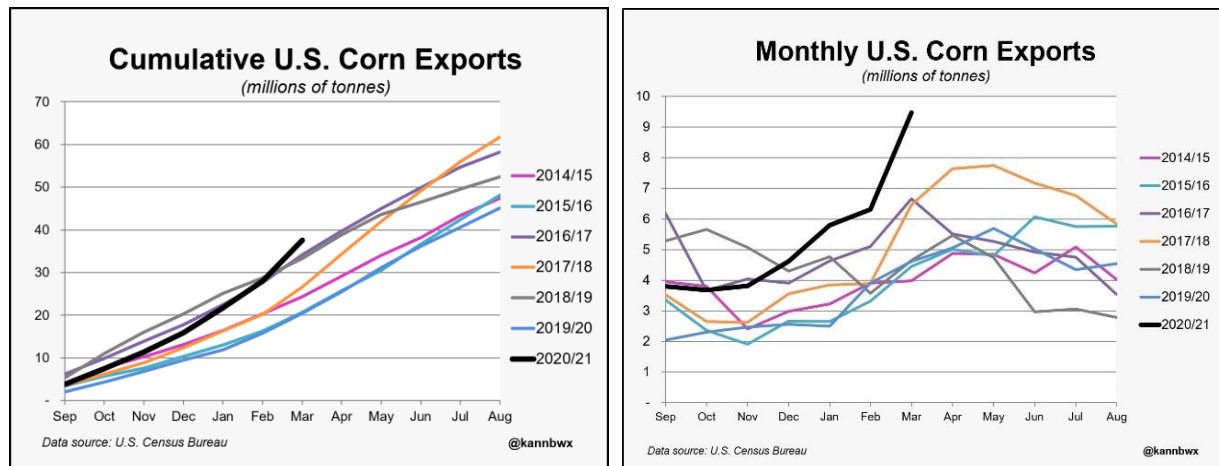
China has snapped up corn to feed its hog herd and replenish reserves



Source: U.S. Department of Agriculture

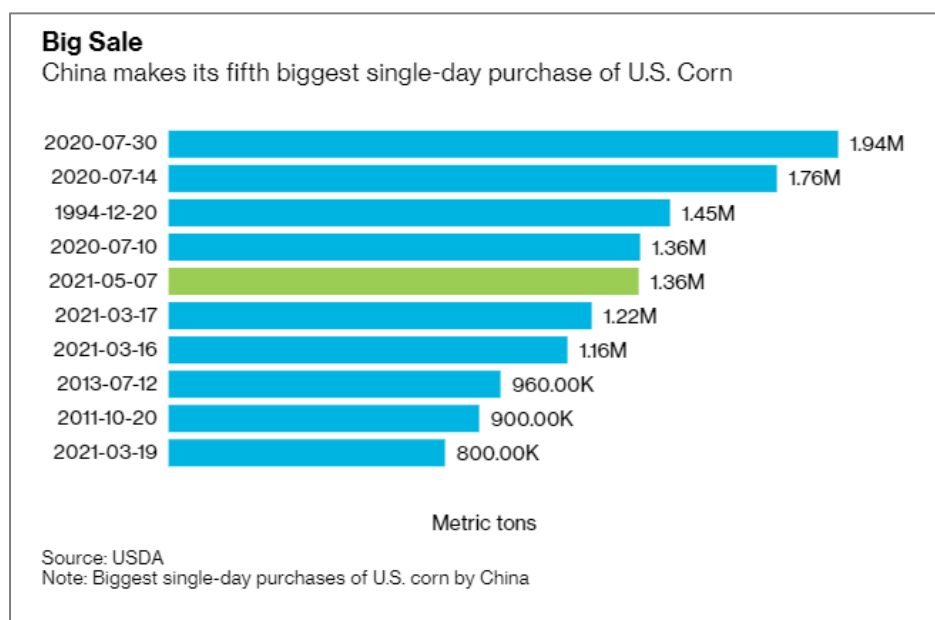
* 2020/21, 2021/22 imports are forecasts by CNGOIC

Reuters reports that the September through March U.S. corn exports totaled 37.5 million metric tons (1.48 billion bushels), the most for the period since 2007/08. That includes 8.9 million metric tons (349 million bushels) to China. The U.S. exported a record 9.47 million tons (373 million bushels) of corn in March 2021, dwarfing the old record for any month of 7.75 million metric tons set in May 1988. There was record volume shipped to China of 1.75 million metric tons as well as record volume to non-China destinations of 7.72 million metric tons.



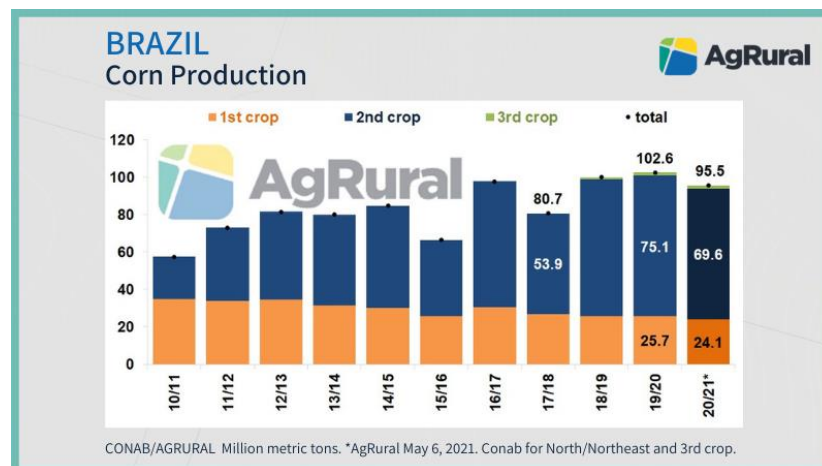
In March, China made one of its most substantial purchases of corn in U.S. history, a sign that its world market buying spree is not quite over. According to the U.S. Department of Agriculture, China bought 1.36 million metric tons for the marketing year that begins September 1st. That comes on top of more than 20 million tons China has already purchased in the current season as it looks to rebuild a growing hog herd previously decimated by African swine flu.

Chinese buying has been a key factor in driving global grain prices to multi-year highs. Bloomberg earlier reported that China purchased corn for shipment in the fourth quarter. Bad weather, especially amid the drought that is currently threatening Brazil's corn crop is fueling worries that a supply crunch is coming. Corn futures have doubled in the past year, climbing above \$7 per bushel for the first time since 2013.

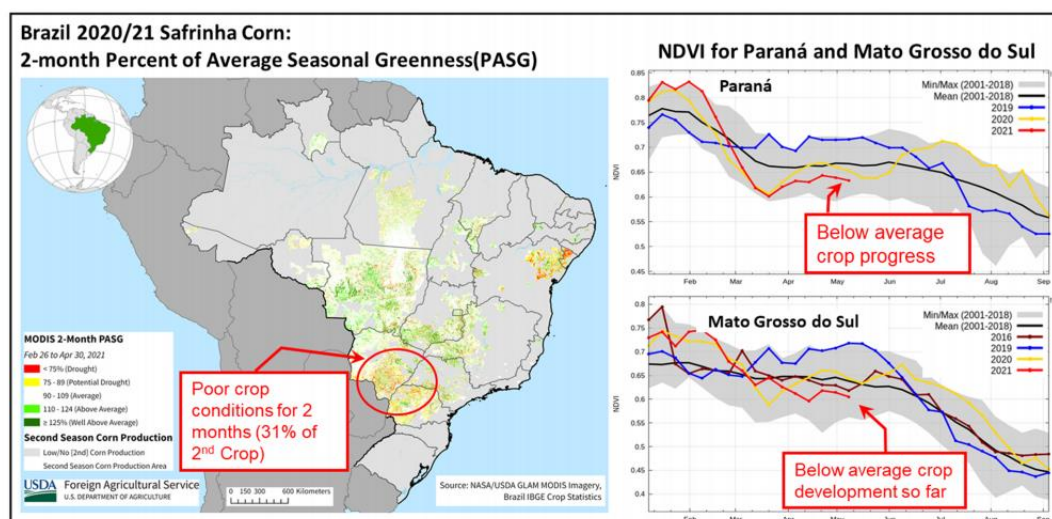


On May 10th, Chinese buyers made another substantial purchase of U.S. corn as concerns mount over the impact of dry weather in Brazil. The USDA recently announced a 1.02 million metric ton sale of corn to China for delivery in the 2021/22 marketing year, following an earlier announcement of a daily export sale of 1.36 million tons of U.S. corn to China- a report that was well-received by those in the U.S. corn sector, who stressed that the purchases for 2021/22 show that Chinese demand is not slowing. One factor emphasized by U.S. officials is that news from Brazil indicates that Brazil will likely not have as much of the grain this year as expected because of growing drought conditions.

Brazilian agribusiness consultancy AgRural has cut its production estimate for Brazil's second corn crop in the *Center South region* due to a prolonged drought that worsened in the first week of May. Farmers there are now expected to reap 65.1 million tons of second corn, down from 73 million tons estimated on April 19, according to a statement. In the *whole* of Brazil, AgRural said safrinha corn crop production will be an estimated 69.6 million tons, compared with 75.1 million tons in 2020. This takes into account AgRural's own projection for both central and southern production and the government's estimated output for the north and northeast, which also plant second corn. Brazil's total production of corn in the 2020/2021 crop cycle will be an estimated 95.5 million tons, compared with 102.6 million tons in the previous season, AgRural said.



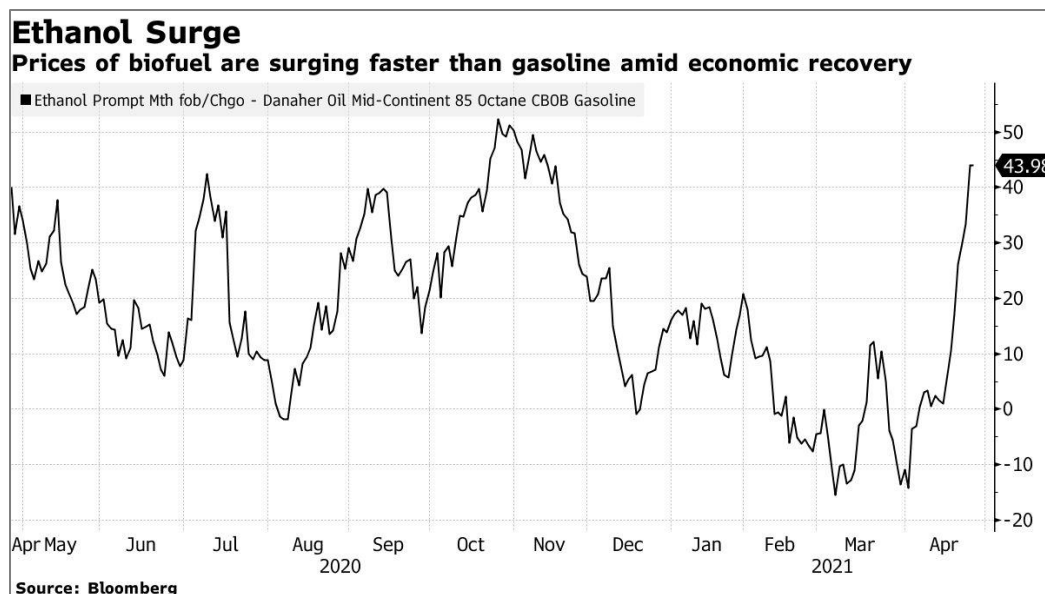
Brazil Corn: Drought in South-Central Regions Lowers MY 2020/21 Production by 6 Percent



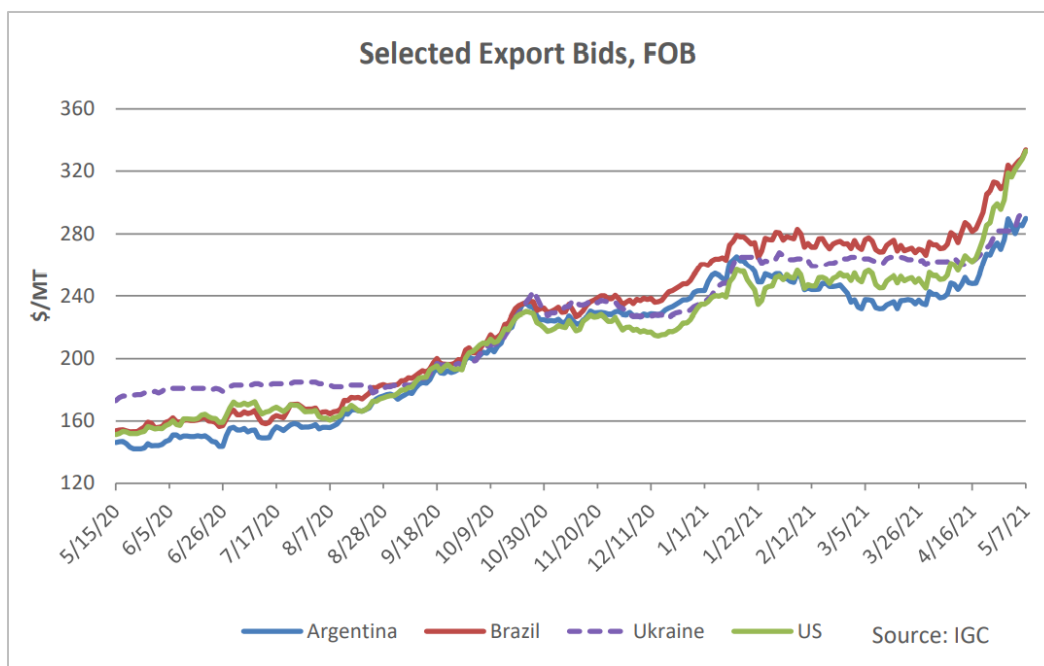
Corn's stunning price rally is getting an extra boost as more U.S. drivers return to the open road. Gasoline demand is on the rise, which means corn-based ethanol consumption is up too after a tough year in which the beleaguered industry was forced to shut down plants as pandemic restrictions slashed automobile travel.

As motorists return to U.S. highways as the economy recovers, we are going to use more ethanol, and so that is a bullish point for the corn market. Total vehicle interstate miles traveled in the week ended April 18 jumped 85% from the same period a year ago, according to the U.S. Transportation Department. Along with more car trips, the Biden administration plans to fight climate change by advocating increased usage of biofuels. It is welcome news for American corn farmers, who have seen crop prices more than double in the last 12 months. Spot ethanol prices in the U.S. are at their highest level since 2014 and are surging faster than the price of gasoline with which it is blended. Recently in Chicago, regular spot price for a gallon of gasoline was \$1.96 as compared with \$2.39 for a gallon of ethanol according to data compiled by Bloomberg.

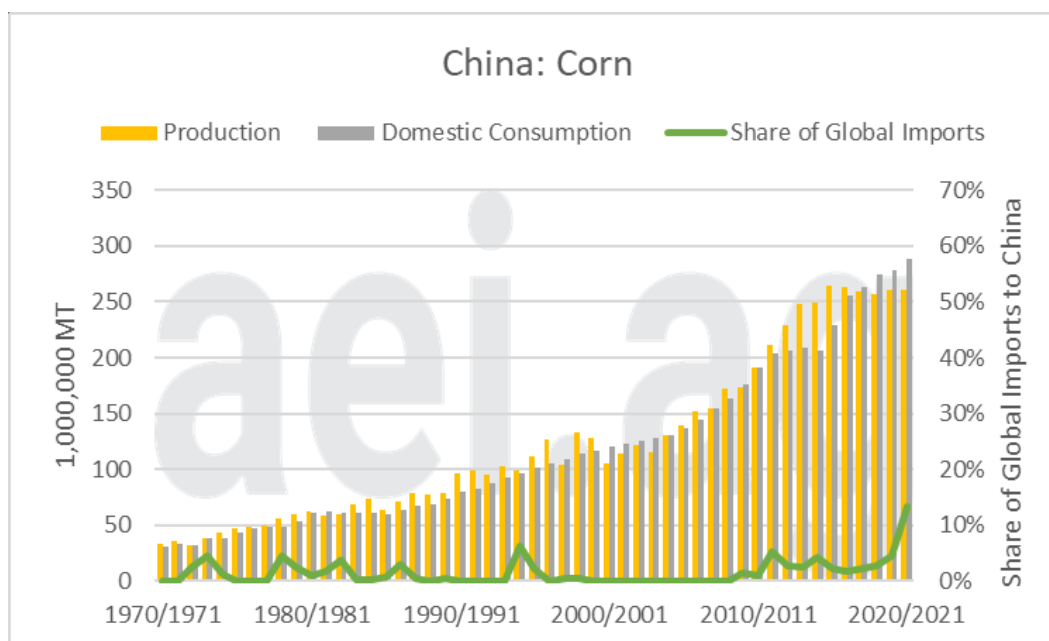
Ethanol is being blended into gasoline at its highest level since last March, the early days of the Covid-19 pandemic, according to data sourced from the Energy Department.



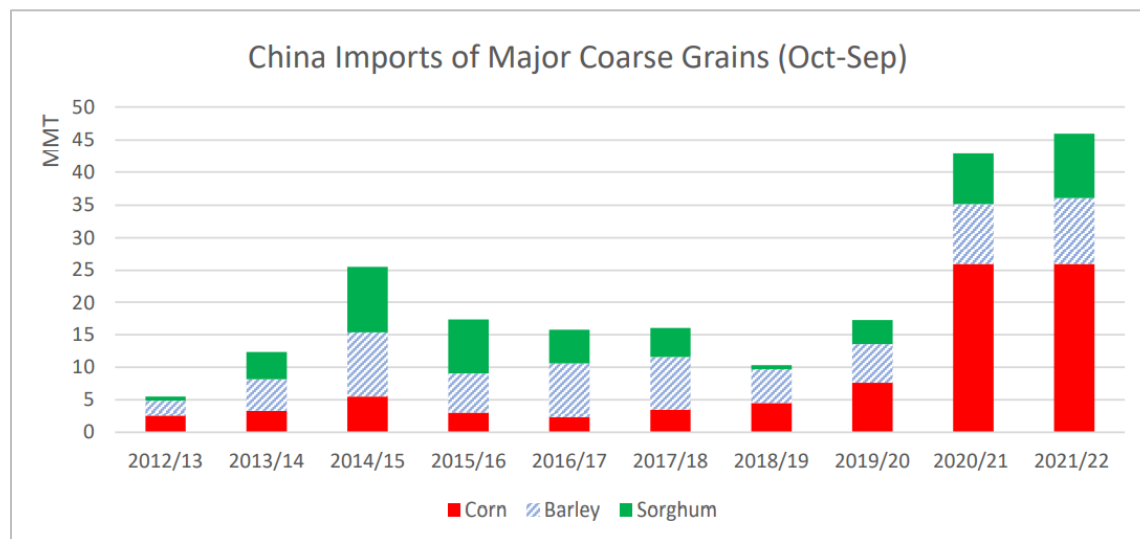
Since the April WASDE, all major export bids have moved up sharply, reflecting concerns over arid growing conditions and the potential impact on production in Brazil. Brazilian bids have gone up \$63/ton to \$334, and Argentine bids have climbed \$51/ton to \$290. Ukrainian bids have gone up \$33/ton to \$295. U.S. bids have moved up \$82/ton to \$333 supported by mounting concerns in Brazil and by strong foreign demand. U.S. bids are at their highest level since the drought of 2012/13.



China is both the second largest producer *and* consumer of corn in the world. Production and consumption have been essentially in lock-step since the 1970s, with significant increases for both. For the last three years, however, domestic consumption has outpaced production and China has become a significant importer. For the 2020/21 marketing year, China purchased about 13% of the globally traded corn, the largest share observed in the data. While China has historically purchased sizable quantities of corn, recent activity has been the largest. Looking ahead, it remains to be seen if China returns to self-sufficiency and Chinese buying tapers off, as has been the case historically, or if it becomes a regular global buyer of corn.



Chinese imports of combined coarse grains are projected to rise from the revised 2020/21 estimate on expectations of strong feed demand from its domestic swine sector. Increased commercialization of the swine herd has ostensibly improved demand for manufactured feeds. Domestic corn prices remain at record levels, despite substantial release of years-old wheat and rice stocks from reserves. Moreover, to alleviate the use of corn and to help cool down prices, the Ministry of Agriculture and Rural Affairs issued new guidelines in April suggesting lower inclusion rates for corn in swine and poultry feeds and recommending sorghum and barley as corn substitutes among other feed ingredients. Corn imports are projected at the same as the 2020/21 level, while barley and sorghum imports rise with greater availability in the world market. With combined coarse grain imports nearing 50 million tons, China's demand is expected to drive global trade dynamics for 2021/22.



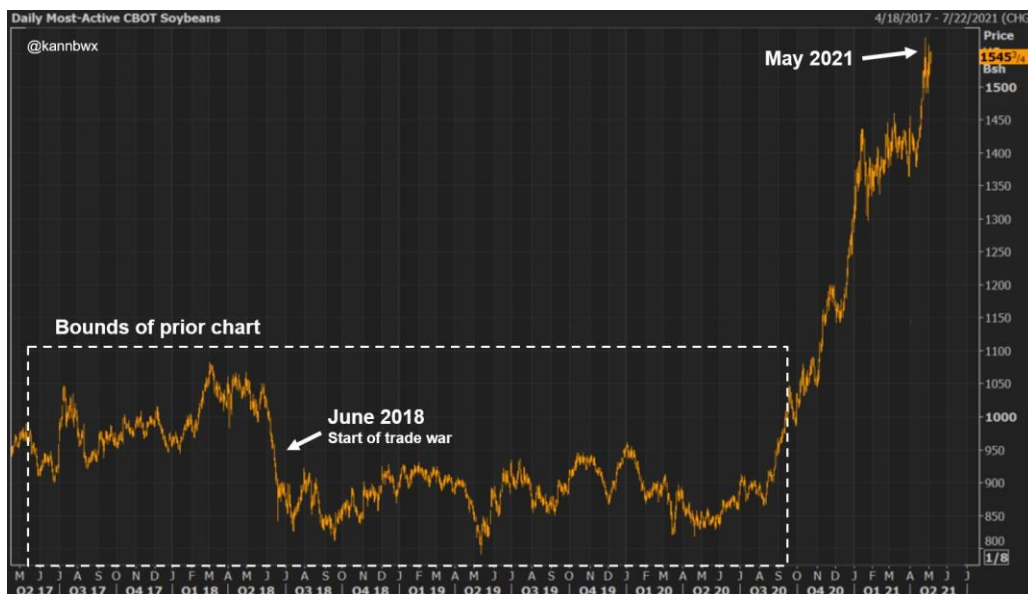
Soybeans

May's WASDE contained an estimate of 120 million bushels for old crop stocks and 140 million bushels for new crop estimates, confirming pre-report sentiments that soybeans will be just as tight next year as they are this year. The current price ratio of soybean to corn favors more corn acres. It was interesting to see new crop global carryout increase 4.5 million metric tons year-over-year. That was a bit of a bearish surprise.

The soybean market was already 38 cents higher before the May WASDE report, and by the close had given up only some of those gains. Prior to the report, both July and November soybeans, along with July bean oil, scored new contract highs. The WASDE report held little fanfare for soybeans, as U.S. ending stocks were left unchanged again at 120 million bushels, with new crop pegged at a still-tight 140 million bushels - just 8 million bushels above the average trade estimate. New-crop soy production was forecast at a lower-than-expected 4.405 billion bushels, using the low 87.6 million-acre March planting intentions and a 50.8 bushel per acre yield. Imports were left unchanged at 35 mb, while crush was raised by 35 mb and export demand was dropped 205 million bushels to just 2.075 billion bushels. The average farm price is expected to rise to \$13.85 per bushel from \$11.25 in the current year.

Today's finish was not the strongest as soybean futures ended near mid-range for the day. However, while corn futures are suddenly looking topicky from a technical standpoint, the soybean market has still given no indication it is near a major high.

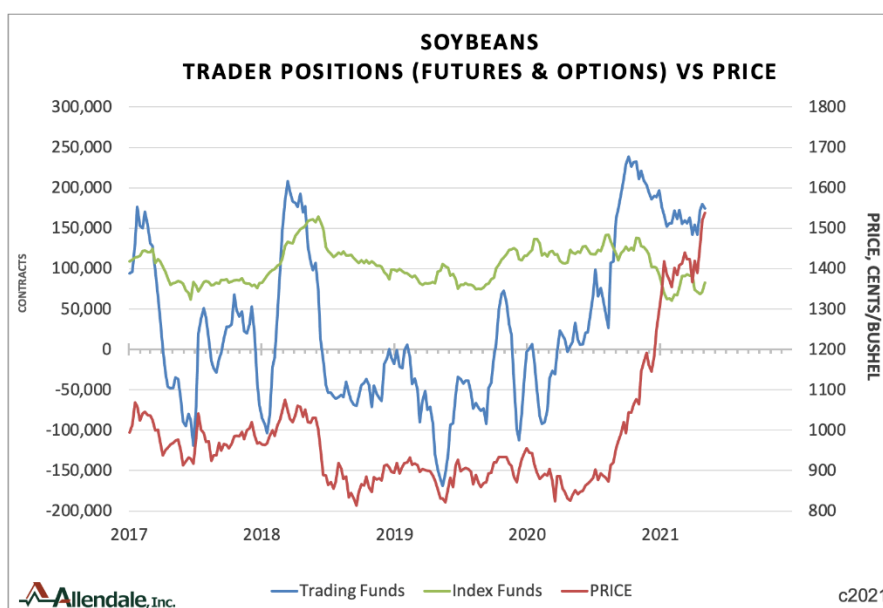
Putting a little perspective around the recent rally in CBOT soybeans. The following Reuters chart was made from Q2 of 2017 to Q 4 of 2020, highlighting various benchmarks along the way. Notable, the most-active soybean contract had risen 15% from August 1 to September 17, 2020.



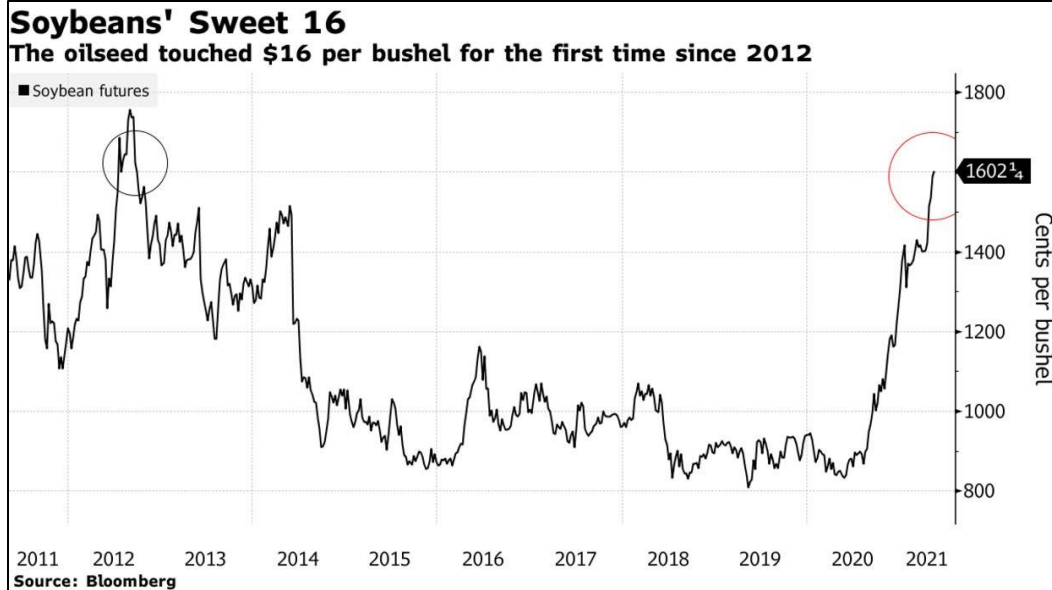
The below chart illustrates the long-term monthly soybean futures with current new crop (November 2021 contract) levels (blue line) as of May 10.



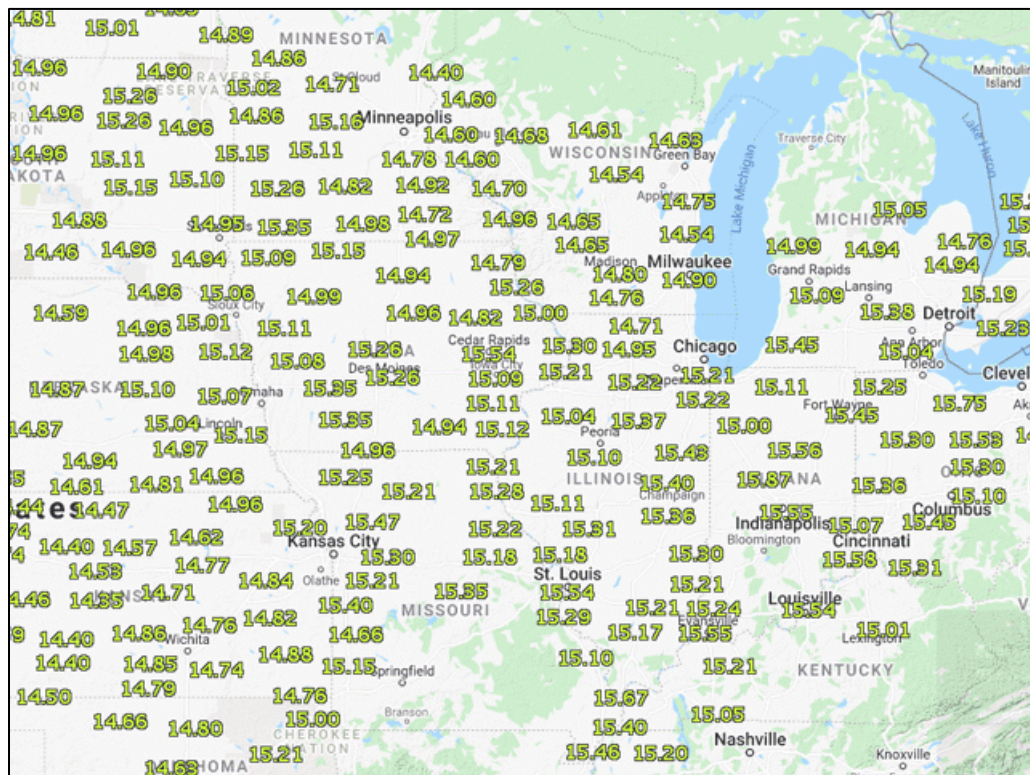
CFTC Supplemental data show large speculators were net sellers of more than 7,500 contracts of soybean futures/options during the week ended Tuesday, paring back their net long position to just over 126,000 contracts. Commercial traders, meanwhile, were net buyers of a bit over 9,000 contracts on the week, leaving their net short position at about 312,000 contracts.



Soybean futures touched \$16 on May 11th for the first time since 2012 as concerns mount over a supply crunch. Surging Chinese demand and bad weather in key global-growing areas are stoking fears of grain shortages. China's expanding hog herds need soybean meal, so the Asian nation has been buying massive amounts of the oilseed off global markets. The economic recovery from the COVID pandemic is driving demand for agricultural goods generally, draining stockpiles and fueling food-inflation concerns.

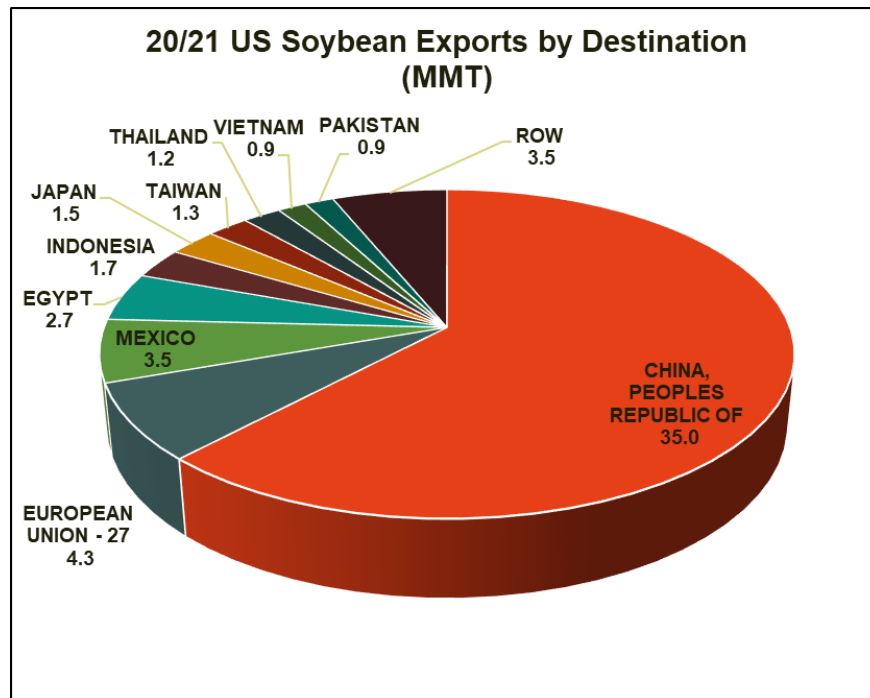


With the soybean cash price spiking above \$15 per bushel, industry analysts concur that this spike in price highlights the unprecedented demand for the oilseed. The DTN National Soybean Index, a measure of cash soybean prices reached its highest level since July 2013. The index hit its all-time high of \$17.48 during the drought of 2012. The national average soybean basis, which is 21 cents below the May futures contract, is also the strongest it's been in eight years. Cash soybean bids across the Corn Belt largely begin with \$15.00, as shown by this image from DTN's Market Tracker (DTN ProphetX).



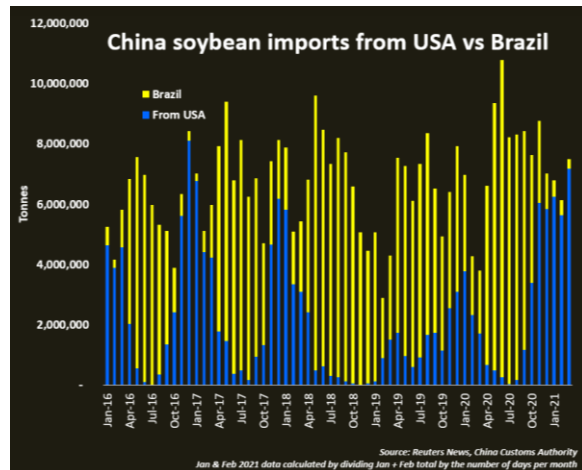
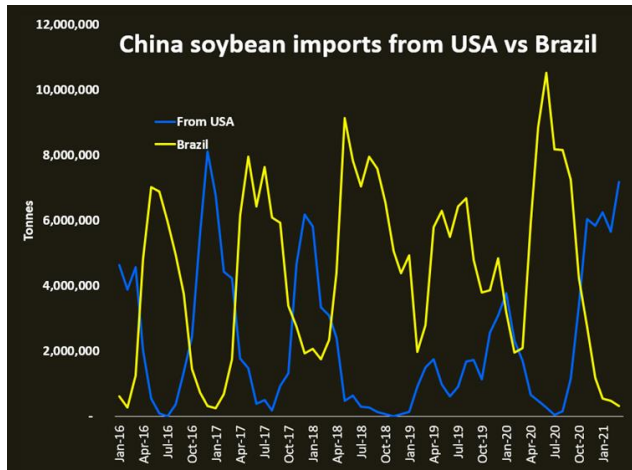
China's demand is driving this unusual old-crop, planting-time rally for soybeans, just like it is for corn. It all started last summer, when Brazilian soybean prices continued to post new highs after a big harvest. Then, China began purchasing U.S. soybeans in late July and kept up an active pace through September.

The chart below illustrates the U.S.'s 2020/21 soybean exports through the first 35 weeks of the marketing year.



1,000 Metric Tonnes	19/20	20/21	Change	19/20 Share	20/21 Share	YOY Change
CHINA, PEOPLES REPUBLIC OF	12,571	34,973	22,402	37%	62%	178%
EUROPEAN UNION - 27	3,991	4,257	266	12%	8%	7%
MEXICO	3,240	3,473	233	10%	6%	7%
EGYPT	2,582	2,670	88	8%	5%	3%
INDONESIA	1,485	1,681	196	4%	3%	13%
JAPAN	1,713	1,506	(207)	5%	3%	-12%
TAIWAN	1,551	1,297	(254)	5%	2%	-16%
THAILAND	1,057	1,179	122	3%	2%	12%
VIETNAM	700	887	188	2%	2%	27%
PAKISTAN	935	887	(48)	3%	2%	-5%
ROW	4,209	3,519	(690)	12%	6%	-16%
GRAND TOTAL	34,034	56,329	22,295	100%	100%	65.5%

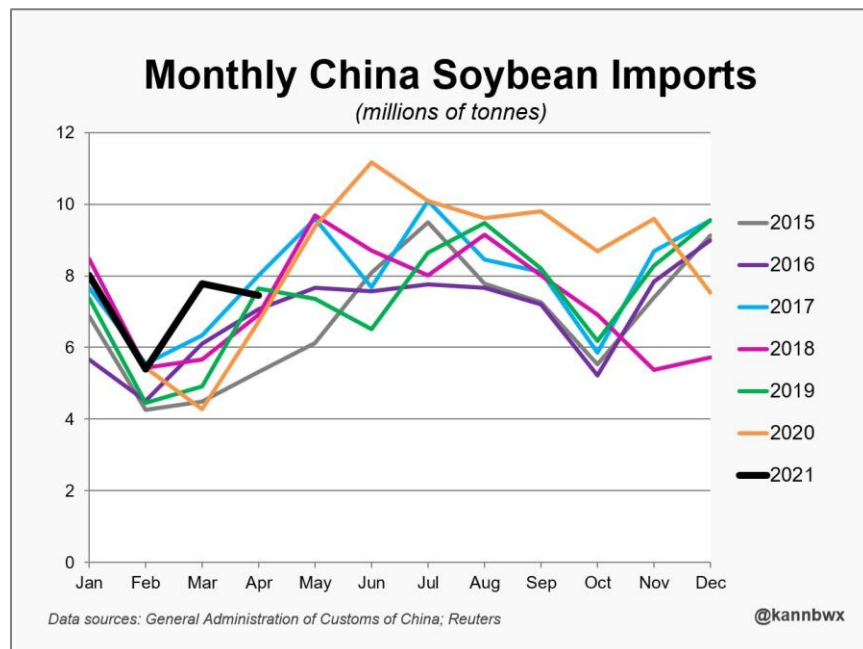
Reuters reported in late April that China's March soybean imports from Brazil plunged as rain delayed some shipments from the world's top exporter, but U.S. bean imports rocketed more than fourfold as delayed cargoes arrived, hitting the highest monthly total since December 2016. The world's biggest buyer of soybeans imported 315,334 tons from Brazil in March, down 85% from 2.1 million tons a year earlier, data from the General Administration of Customs showed on Tuesday. Brazilian imports were at their lowest since January 2017, according to Reuters' records of customs data. More than offsetting that slide, China imported 7.18 million tons of soybeans from the United States in March, up 320% from 1.71 million tons in the previous year.



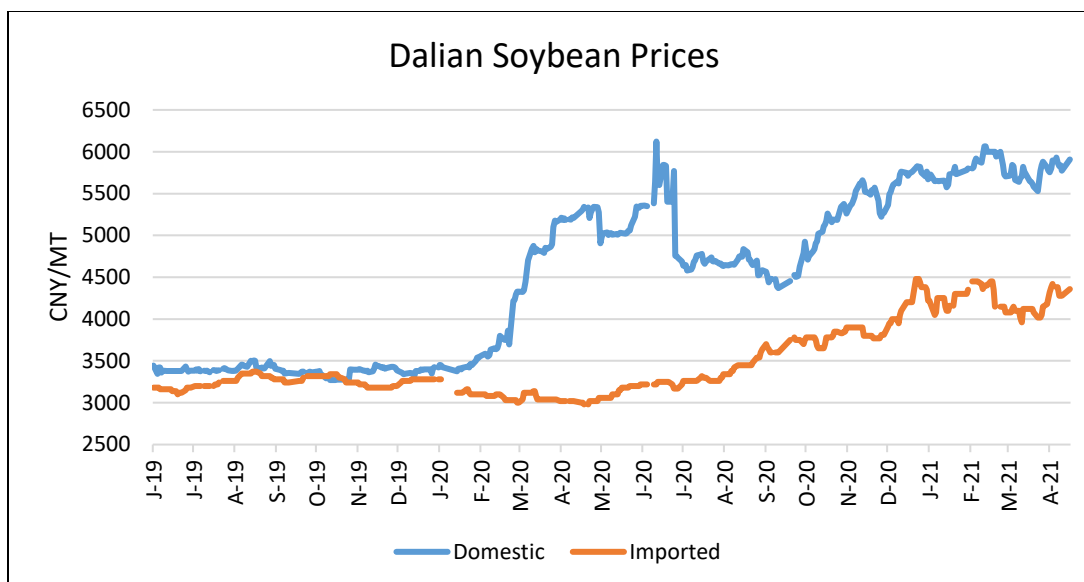
China had stepped up purchases of soybeans and other U.S. farm produce after the two sides signed an initial trade deal in January last year. But buyers of the oilseed have turned to the United States more than usual in 2021, as rains in Brazil slowed the harvest there and delayed exports. Chinese crushers bring in soybeans to crush into soymeal to feed livestock and for cooking oil. They had previously ramped up buying of soybeans amid expectations of healthy demand from the country's fast-recovering hog herd.

But a severe wave of African swine fever in recent months has wiped out at least 20% of the breeding herd in northern China, some estimates show, reducing soymeal demand. Increased use of wheat in animal feed has also curbed soymeal demand, analysts and traders say.

China imported 7.45 million tons of soybeans in April as U.S. arrivals slowed and Brazil shipments increased. The late start to Brazil's season impacted April intake, and volumes are expected to increase. The January to April total is 28.6 million metric tons, up 17% year over year and up 4% on 2017's record.



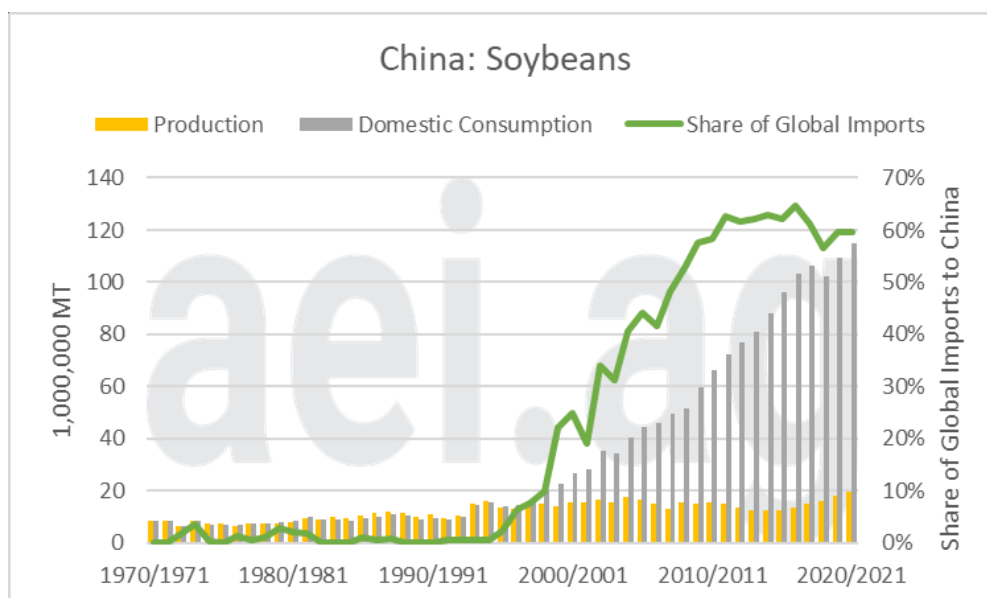
Chinese crush margins rebounded in April but remain low relative to margins from earlier in the season, prior to increased slaughter due to ASF concerns and the multi-month rally in imported soybean prices.



The USDA FAS reports that with expanding production, global soybean supplies will reach record levels. Exports will continue to be driven by Chinese demand which is projected to account for 60 percent of global trade growth. However, weaker export growth will mean that expanding crush and consumption will account for a larger share of exporter disappearance in 2021/22, about 50 percent of disappearance versus 15 percent in most of the past 5 years. Tight carryin supplies in exporter countries are expected to be responsible for the slower growth in global disappearance. Local year stocks as a share of disappearance (exports and consumption) are expected to remain near 5 percent in exporter countries and 6 percent in most of the remaining countries. The exception is China where stocks, as a percentage of disappearance, is expected to climb to 28 percent. This represents a dramatic shift in soybean stocks from exporters to China over the past 18 months and is one of the primary drivers of today's high prices.

U.S. soybean exports are projected to fall 5.6 million tons to 56.5 million as reduced supplies limit export availability. Soybean supplies are down in response to a much lower projected carryin, offsetting a larger crop from increased plantings and larger trend yield. Soybean crush is forecast to rise 1 million tons, roughly at a similar pace compared to recent years. Strong domestic demand for soybean meal and oil will restrict product exports with the largest impact on soybean oil because of growth in biodiesel use.

If there was one chart that captured the optimism, enthusiasm, and possibilities of trade with China it would be soybeans. From the 1970s until the late 1990s, China's production and consumption of soybeans were in nearly lock-step with one another. Around 2000, however, China's consumption of soybeans surged from 20 million metric tons to 114 million for the 2020/21 marketing year. Over those two decades, Chinese soybean consumption increased at an average annualized of 7.6%, a large growth rate sustained over a long period of time. Since the early 2000s, China's production of soybeans has been mostly unchanged. This has resulted in China's relying on imports, with China accounting for nearly 60% of all soybean imports.



Rice

There was no big news for rice May's WASDE rice balances sheets. The USDA's first forecast of the 2021/22 U.S. all-rice carryout came in at 41.0 million cwt., down slightly from its 2020/21 carryout forecast of 42.9 million cwt. Rice futures ended slightly lower in light trading volume, and near session lows. May rice settled down 1 ½ cents to \$13.72 ½, and July was down 3 cents to \$14.04 after trading a range of \$14.00 to \$14.21. September rice was down 2 ½ cents to \$14.01 ½.

Prior to the WASDE release, the cash market for rice has improved slightly as rice prices in the upper delta saw small gains. Meanwhile, cash prices in Texas and Louisiana continue to be stagnant and seem to be awaiting some market development that could shift sentiment. Notable activity occurred in Chicago where rice prices finally experienced some positive price action. Considering the U.S. Dollar Index is down more than 6% from this time last year, it is about time for rice prices to react. In April alone, the U.S. dollar had softened by more than 2%. The most recent nearby contract jumped almost 4% as did the July. All other contracts trended upward and open interest spiked 11% further indicating market improvement may lie ahead.

Due to lackluster sales to Haiti and the absence of Iraq to date, long grain export demand is down nearly 12% against the prior year. Without the relatively strong paddy shipments and sales this year, grower returns could have been substantially lower, further exacerbating the rice for bean swap that is becoming so prevalent in 2021.

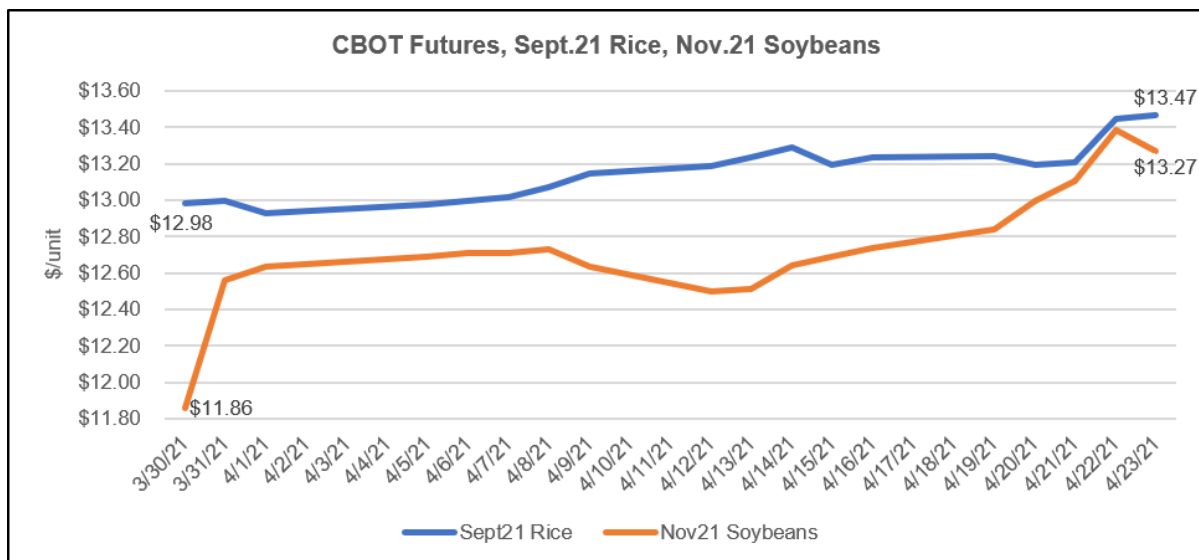
Rice growers made speedy progress this week as Arkansas' progress jumped nearly 20% from last week and is now just 3% behind the average pace. The other delta states are all in line with historical trends as far as planting progress goes. California planting appeared to have been extremely underreported, the USDA has since revised their initial planting estimates and is now pegging the state to be 40% complete.

The July contract has not been actively trading very long, but even here there has been a significant uptick after prolonged sideways movement in the market. To date, 612 deliveries have been made on the May contract, which shows only 221 contracts left to resolve for the week ending May 7th. Open interest has risen to 9,679, an increase of 70. The move higher is not related to weather, it seems. Last week saw large increases in planting progress despite rain in the Delta. Total seeding is well ahead of last year and

slightly ahead of the average. The emergence rate hints at below-normal temperatures everywhere except the west coast. No one is ready to kill the crop just yet, but more heat would be welcomed.

From a technical perspective, the 24-cent trading range in September rice took prices through some key resistance (the October 2015 highs at \$13.28) as reported by the University of Arkansas on April 27th. Daily trading volume has been strong and open interest has increased which is typically been interpreted as a signal that new longs have entered the market. The chart below is a 10-year monthly continuation of the September rice futures contract. With the contract now trading at multi-year highs, some long-term perspective may be helpful in determining future price objectives. Beyond the October 2015 highs surpassed this week, the next layer of chart resistance may be at \$13.70 $\frac{3}{4}$.

This price level is a 50% retracement of the move from the September 2011 high of \$18.25 $\frac{1}{2}$ to the August 2016 low of \$9.16. Further upside in the rice market could be largely driven by the rest of the CBOT grain complex. On its own, September rice is technically overbought and fairly significant strides were made this week in planting. The market may relax a bit in the near future.

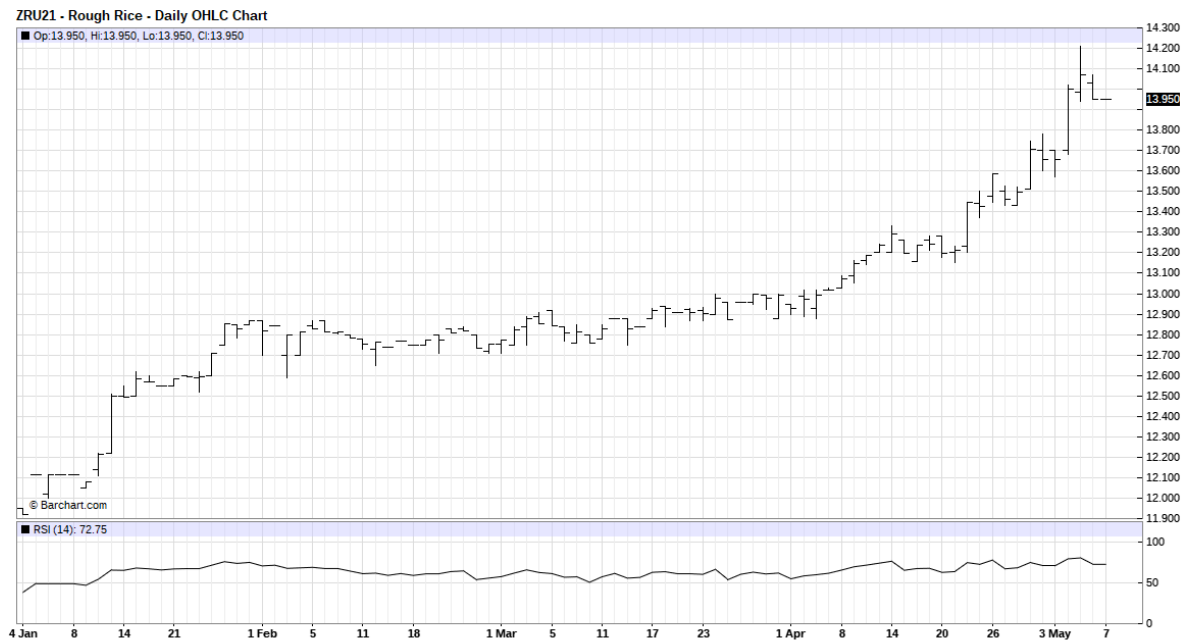


The University of Arkansas reports that while the majority of the state stood still for another week, our planting progress did update to 63% (May 7th). This seems to mostly be a catchup on progress from the previous report. The reality is that time is beginning to dwindle on the 2021 rice crop.

Initial estimates were that Arkansas rice producers originally intended to plant 1.25 million acres, but with planting progress currently at 63% progress, this would translate to only 750,000-800,000 acres of rice having been planted to date. The weather outlook suggests that planting may not really continue until after May 15th. While there are still a good number of acres intended for rice, the prospects of them shifting to more and more soybeans are growing. If something doesn't change very soon, it is entirely possible that Arkansas will fail to plant 1 million acres of rice for the first time since 1983.

Another week, another contract high for September rice with trading pushing past the psychologically and technically important \$14 mark. The chart below provides a year-to-date look at the September contract that started 2021 at \$11.92. Overall, the chart or technical view of rice remains constructive and with no signs (so far) of a market top or reversal.

Also included at the bottom of the chart below is the 14-day relative strength index (RSI). It recently closed at 72.75. It doesn't necessarily reflect a deeply overbought market. But, a RSI at or above 80 often indicates the market is ready for a correction (lower). The 5-year average planting pace for Arkansas should be close to 71% next week. Little (or no) week-to-week change in planting progress is expected in the USDA NASS Crop Progress. Rain chances over the next five days and low temperatures potentially dipping to the upper 40s/low 50s is not helpful. In addition to the weather, continued price increases in corn, soybeans and diesel may shove rice planting to 100% fairly soon.



Rice futures moved lower May 11th, one day prior to release of the USDA's latest WASDE report. Rice was down to \$13.88 per cwt for the May contract and \$14.21 for the July contract, after trading in a range from \$13.95 to \$14.55. September rice was down to \$14.05 per cwt. The latest USDA's Crop Progress report remarked that planting progress for rice crop was at 74%, up from 64% the prior week. The average is 71%. After initially getting off to a slow start, Arkansas is currently 77% planted, right in line with their five-year average.

The bid for Louisiana rice market currently stands at \$23.00 per barrel, basis FOB farm and another basis delivered mill (\$13.90 per cwt 55/70). New crop for July/August has been bid at \$20.00 per barrel as planting continues in the state. In the Mid-South, CME rice futures were modestly mixed this past week. CME futures ranged down \$0.10 to up \$0.60. Bid/asked levels for barges of long grain CIF NOLA are \$13.75/\$14.50 per cwt. Also, soybean and corn futures prices are still attractive options to planting rice. Also, let us not forget that prevented planting insurance could be a factor as it has been the past two years due to wet weather delayed/prevented planting.

Reflective Prices (per cwt FOB country 2020 crop)

	Texas	Louisiana	Mid-South	California
Long grain	\$13.75 - 14.00	\$13.90	\$13.25-\$13.50	*
Medium Grain	*	\$13.00	\$330/mt FOB vsl NOLA	\$25.00

L/G prices are basis #2 55/70, Southern M/G prices are basis #2 58/69, California M/G prices are basis #1 55/70. Mid-South -- Arkansas, Missouri, Mississippi, northeast Louisiana.

* These areas do not have sufficient supplies of this type to quote.

A dry spring has fostered ideal planting conditions for California rice farmers, but lack of available irrigation water has forced growers in that state to cut back on how much they grow. Due to worsening hydrological conditions, rice farmers in the Sacramento Valley have seen reductions in surface water deliveries from between 25% to 50%, on average, with some cut by as much as 100%, according to the California Rice Commission.

Initial estimates are that California farmers will grow about 100,000 fewer acres of rice this year, down 20% from the average 500,000 acres grown annually in the state, he added. The USDA estimated California 2021 rice acreage at 471,000, a decline of 9% from last year. Even though total rice acreage will likely be lower this year, weather has been favorable to finish planting on time, which helps, and that growers are planting their best-performing fields, which could boost per-acre yields.

Larger water districts in the region, including the Glenn-Colusa Irrigation District (GCID) are participating in water transfer programs to help address water shortages. The GCID, which irrigates about 90,000 acres, is looking to idle about 15,000 acres, with most of that water going to San Joaquin Valley farms. Irrigation districts that divert water from the Sacramento River—Sacramento River Settlement Contractors—have already voluntarily reduced diversions to conserve cold water in Shasta Lake and protect fish, Bransford said, noting that GCID is diverting about a third less water than it typically does. With the price of rice trending higher in anticipation of fewer California acres, the number of producers that may be willing to idle ground and participate in water transfer programs this year will continue to diminish as compared to the 2014/15 drought year. With already lower inventories and reduced acreage, the price of rice will probably continue to climb.

The Creed Rice Report states that from a supply and demand vantage point, one can easily conclude that Iraq needs rice. The U.S. needs to sell the rice; and, is pushing all available political and industry buttons to facilitate the same. But, not to be overlooked, is the fact that there is cheaper rice in South America and Asia that is currently available. Paddy sales, meanwhile, are enabling the kind of disappearance that easily supports current prices. The U.S. milled rice market has been limping along, week by week, desperately in search of a buyer like Iraq to enter the market, cover some tonnage and give the mills the help they need to get through this crop year. For several weeks, the civil unrest in the streets of Port au Prince, Haiti, another customer of U.S. rice, have had their loadings noticeably curtailed. However, the USDA has reported that two boats shipped (30,000 MT) over the past two weeks.

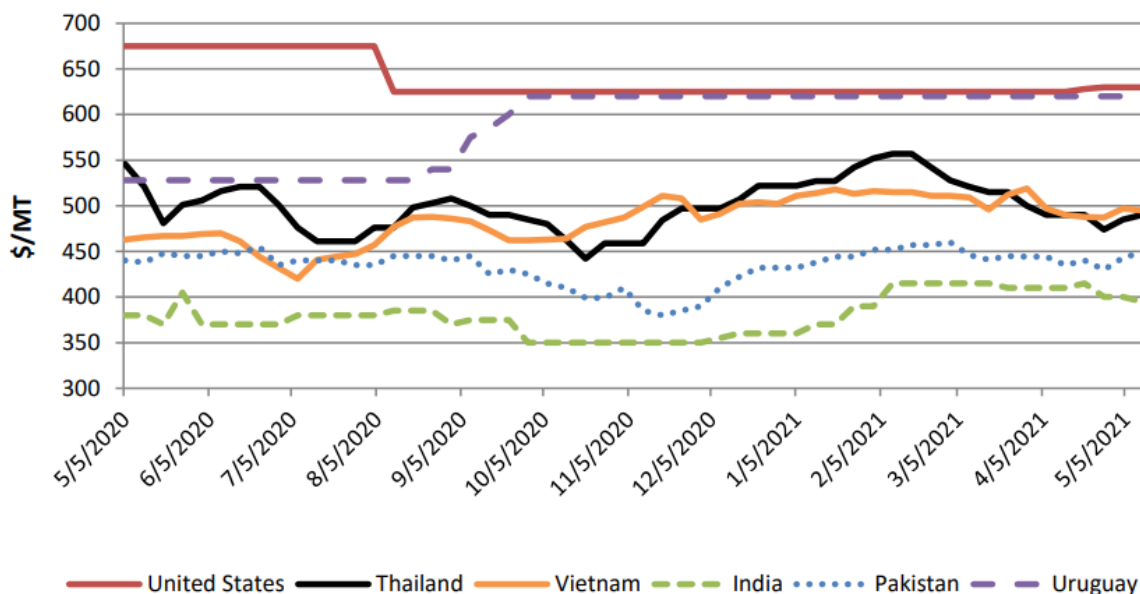
The Report summarizes the outlook for South American milled rice stating that it is somewhat uncertain, especially when considering the most recent FOB values as compared to Asian suppliers for businesses like Iraq and Mexico. In contrast, Brazilian paddy rice could come into play as the U.S. approaches “bridge-crop” status. Brazilian rice offered in response to the Iraq Grain Board’s tender is done under the scenario that has the Brazilian Real heavily inflated against the dollar. Somewhat similar, paddy prices in the interior reflect \$350 FOB levels. The Argentine rice market can be classified as ‘difficult’ because of the internal issues with their currency, the high cost of paddy rice, and lack of trade with Iraq. The big business for Argentina was the trade with Cuba. Uruguayan market conditions are such that the market continues to see prices remaining mostly in a sideways pattern. The mills continue shipping on the second vessel for Iraq, soon to be completed and set sail. Otherwise, shipments to their core market, Peru, have slowed due to recent elections and the attendant ramifications. Mexico is at a pause as Paraguayan rice is cheaper. In summary, Uruguay and Argentina will likely be faced with difficult pricing decisions if they want to stay in the loop for any Iraq business moving forward.

Adjustments to Brazilian grain production will be of particular interest given the ongoing drought in the southern region of the country. From a news perspective, the situation in Brazil has been more of a

“corn” story. Given where the drought is situated, one wonders if there is a “rice” story as well and another export opportunity for the U.S. At any rate, Brazil’s weather forecast remains hot and dry for the key second corn crop producing states of Mato Grosso, Paraná, and Mato Grosso do Sul. All of central and southern Brazil is forecast to receive little to no precipitation over the next week. This multi-week story has provided a lot of fuel for the corn market and in turn soybeans, wheat and rice, milo, cotton, the list goes on.

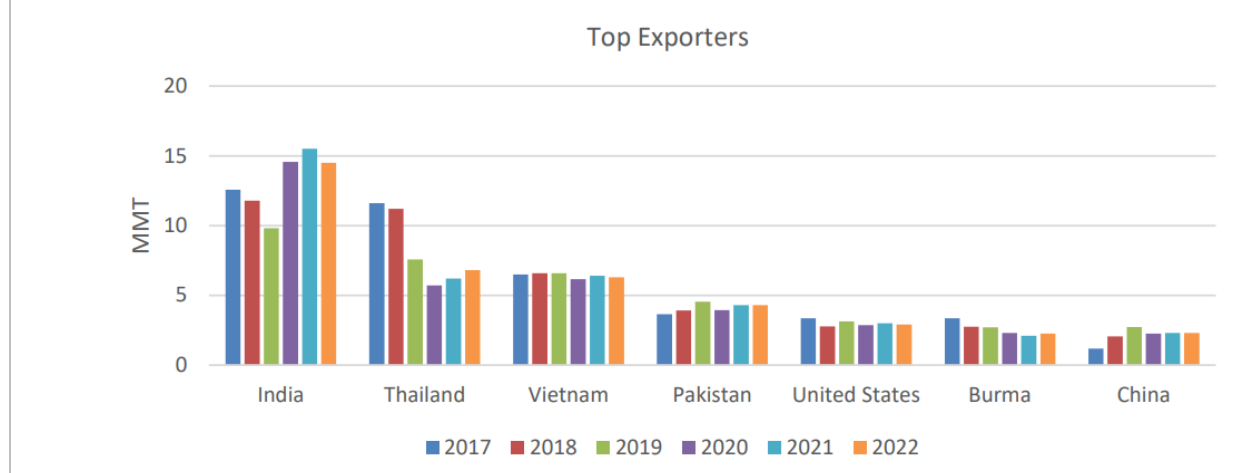
Indian quotes remain the most competitive among major exporters, sliding to \$400/ton over the past month with reduced near-term demand from some major customers during Ramadan. Quotes for Pakistan have remained relatively flat at \$444/ton. South Asian bids remain more cost-competitive compared to Southeast Asia, which has remained elevated over the past few months on tighter supplies. With the recent harvest, Thai and Vietnamese quotes have edged lower to \$485/ton and \$497/ton, respectively. U.S. long-grain quotes have risen slightly to \$630/ton and remain relatively uncompetitive outside core Western Hemisphere markets.

Weekly FOB Long Grain Rice Export Quotes: Last 12 Months



India is projected to have a slightly lower overall supply and expectations of rising price competitiveness from other major exporters. In Thailand, larger supply and ample carry-in stocks are expected to improve competitiveness for white and parboiled rice. Vietnam is projected to have a slightly smaller crop and more competition from Thailand. Pakistan has ample supply and competitive pricing but market expansion is limited. The U.S. is projected to see reduced exportable supplies with a smaller crop. Burma is projected to have a larger crop and a continuation of border trade with China and expansion to other markets as logistical challenges may improve in 2022. China is expected to have ample supply and expected continued availability of older crop at competitive prices via government auctions, though expansion in Southeast Asian exports will limit further growth.

Selected Exporters



Cotton

Cotton futures reacted positively to cotton friendly news in May's WASDE report, but have already backed off their post-report highs with new-crop contracts coming in only slightly higher. The USDA's forecast for 2021/22 U.S. cotton carryout at 3.10 million bales was 570,000 bales below the average of trade estimates. The USDA lowered its 2020/21 carryout forecast by 600,000 bales to 3.30 million. Cotton futures ended higher after a USDA report was released that indicated tight supplies will persist into 2021-22 but, overall, included no great surprises. July cotton ended up 48 points to 88.23, after trading a range of 87.44 to 89.74. December cotton was up 14 points to 85.67.

The week ending Friday, May 7th saw most active July 2021 ICE cotton trade in a slight downtrend, then switch to an uptrend, then take off on a rally, and finally reset almost a cent lower at 89.66 cents per pound. Light demand and an inactive physical market are speculated as being the main causes for this in conjunction with mixed Chinese and world cotton prices, surging grain and oilseed futures, a bottoming U.S. dollar, and climbing stock markets. Cotton-specific fundamental factors include weak U.S. export sales but season-high export shipments. Certified stock levels remain static. New crop futures show signs of weather market influence in response to some recent precipitation activity in West Texas.

Yet, prices have been there before only to fail and to retrace their steps. While that can occur once again, market fundamentals continue to demonstrate a more bullish feel (Dr. O.A. Cleveland). World yield potential has declined primarily due to weather events in the major producing countries of China, India, the U.S., and Brazil. Further, food crops and oilseed crops continue to take acreage from world cotton plantings. The pace of U.S. export sales is well above that needed to exceed the USDA export estimate for 2021.

Due to extremely strong weekly export shipments, the USDA will likely raise its estimate of 2020/21 exports, from 15.75 to 15.90-16.0 million bales. The new crop December contract's next objective, above a nearby 88 cent target, is 92 cents. However, drought conditions in the U.S., coupled with the on-call sales ratio both in the July and December contracts is growing a bit more bullish. Thus, cotton prices for both old crop and new crop may soon be pounding on the 96-cent door and who knows from there.

The approval of Chinese sliding scale quota purchases, leaked two weeks ago, and made public last week has added more fuel to the price fire. China does need the cotton, yet they have allowed prices to climb without adding significant new purchases.

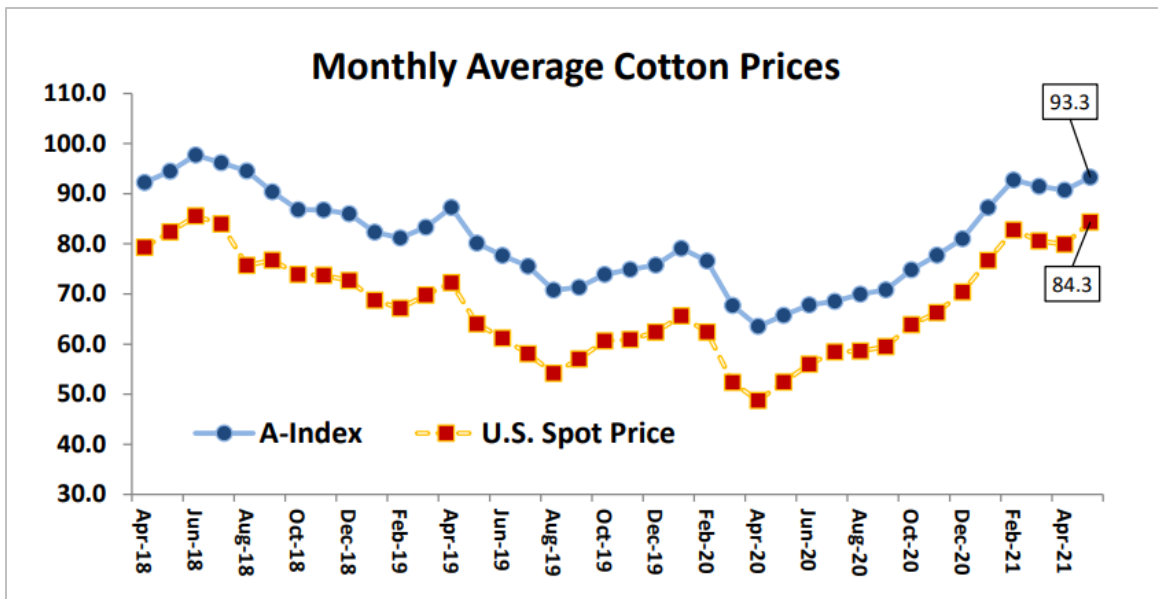
Exports shipments to China continue very strong and export cancellations essentially match new purchases. Thus, the market does not appear to feel cancellations of any magnitude will occur. Nevertheless, market bulls should always fear cancellations.

A negative for cotton was the big retreat in Chicago grain futures. Corn, soybeans and wheat all suffered double-digit losses, as they fell victim to improving weather outlook coupled with the fact that they are hugely technically overbought. Having lost substantial ground the previous month, international cotton prices resumed the upward trajectory that has been in evidence since the beginning of 2021 to move higher during April. The Cotlook A Index reached a high point of 96.90 cents per pound late in the month, before relinquishing some ground to end the period 425 points above its opening value.

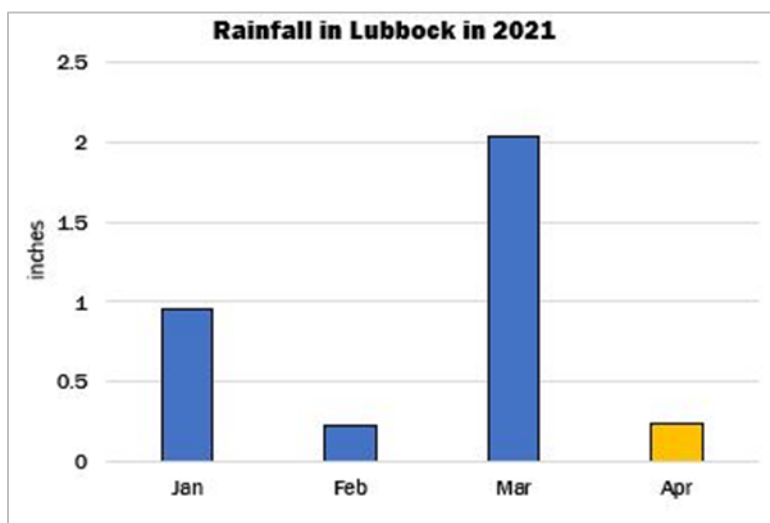


The major influence on prices during April appeared to be weather conditions in West Texas, which are decisive to the size of the US crop. According to the U.S. Drought Monitor, by April 27 soil moisture levels across growing areas of the state ranged from 'abnormally dry' to 'exceptional drought'. Following a rainy month of March, rainfall recorded in Lubbock amounted to just 0.24 of one inch, well below average.

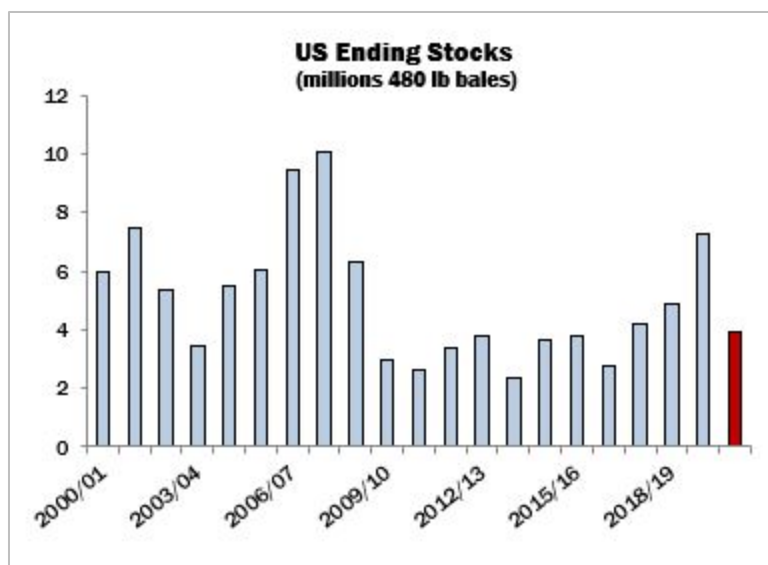
The A-index and U.S. spot price have edged up slightly from April's WASDE owing to dry weather in Texas and stronger commodity prices including corn, wheat, and soybeans. April's A-Index was more than 40 percent higher compared with last year's respective month, itself the lowest monthly average in 11 years. Higher global consumption and lower global supplies since April 2020 have boosted prices.



The Prospective Plantings report, released by the USDA at the end of March, projected 2021/22 cotton plantings somewhere around 12 million acres, close to the area sown to the 2020/21 crop. However, that forecast may already have been overtaken by events to a certain degree: quite apart from climactic obstacles, prices for competing crops have been very strong and could lead to a shift of land away from cotton.



The market's sensitivity to the U.S. production outlook should be seen in the context of a tightening balance sheet. The Department's export projection for the current season, meanwhile, was raised modestly to 15.75 million 480lb bales, a feat that would seem easily achievable given that combined sales commitments of upland and Pima were already in excess of that figure by the week ended April 22nd. Sales to China accounted for almost 32 percent of the running total. The season's ending stock was reduced to 3.9 million bales versus a beginning stock of 7.25 million.



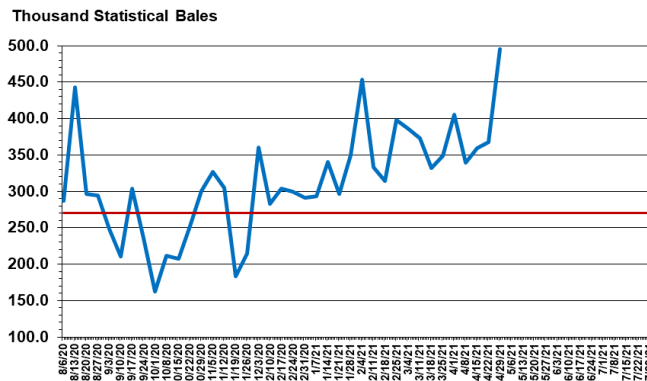
In China, strong rumors have been circulating that issuance of a substantial Sliding-Scale import quota was imminent. The National Development and Reform Commission announced later that the quota would amount to a rather more moderate volume of 700,000 tons. Of that total, 400,000 tons are ‘processing trade’ quota (under which finished textile goods must be exported), from which duty is exempt. International reaction to the news was somewhat muted as a considerable volume of cotton, mainly Brazilian and US, remains consigned at Chinese ports and it appears likely that at least part of the quota will be utilized to move off some of those stocks, rather than to make fresh import purchases of shipment cotton.

In general, mill buying was subdued in the face of rising prices and the resurgence of Covid infections in some of the major consuming markets, which impacted spinning and manufacturing sectors. Underlying demand was present in Bangladesh, where garment orders are relatively robust, but the volatile nature of prices delayed some purchasing decisions. However, some spinners were in more urgent need of cover, particularly as shipping difficulties have continued to delay shipments in particular from the African Franc Zone, where much of that demand is directed.

Cotton Incorporated comments that one factor that appears correlated with price movement has been the evolution of the U.S./China trade relationship. Despite COVID, the U.S. is projected to export the third-highest volume on record during the 2020/21 crop year (16.3 million bales). With shipments to most other markets lower, this has been driven by business with China. Crop year-to-date, U.S. exports to China are up +242% or +3.2 million bales (data through week-ending April 29th). The Phase One deal suggests that China will continue to increase purchases of U.S. agricultural goods in the 2021 calendar year, but it is unknown if an extension or a new agreement will be reached for 2022.

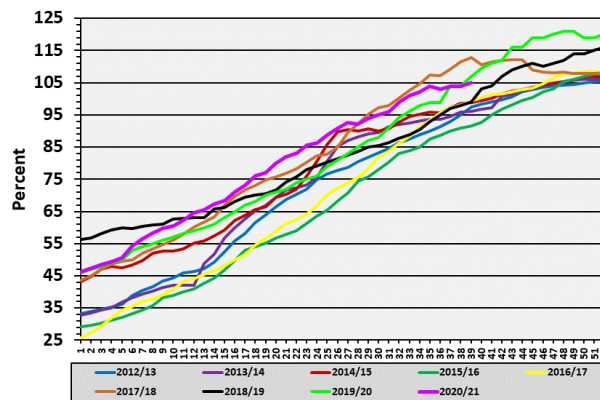
The blue line in the chart below (compiled by Dr. John Robinson of TAMU) shows actual weekly export shipments through the past week of the 2020/21 marketing year (converted from running bales into 480 lb. statistical bales, using the USDA’s standard conversion factor of 1.03). In the graph below, the red line shows the required level of exports of all U.S. cotton (i.e., upland and pima) to meet the USDA’s 2020/21 projection (15.75 million bales since the April WASDE) of what total exports will be by July 31, 2021. The level of actual shipments (the blue line) has fluctuated above and below the level needed to reach the USDA’s target. For the week ending April 29th, export shipments were very strong and above par.

U.S. Exports of All Cotton, 2020/2021 Marketing Year



Another indicator of export demand is the percentage level of U.S. export total commitments relative to the USDA's forecast export target of 15.75 million bales. Total commitments for all cotton as of April 29, 2021 include 11,872,575 bales worth of accumulated exports of all cotton, i.e., pima and upland sold and actually shipped. It also includes another 4,113,197 running bales of pima and upland sold but not yet shipped ("outstanding sales"). The total of accumulated exports and outstanding sales is 15,985,772 running bales of total commitments which, after converting to statistical bales, is 105% of the USDA's 15.75 million bale target for 2020/21 U.S. exports. That puts 2020/21 export commitments at the historical upper end for this point in the marketing year (please reference the magenta line in the chart below). The potential risk to this picture is cancellations or rolling forward of un-shipped sales by July. And/or the USDA may move the 15.75 million bale target higher in a forthcoming WASDE.

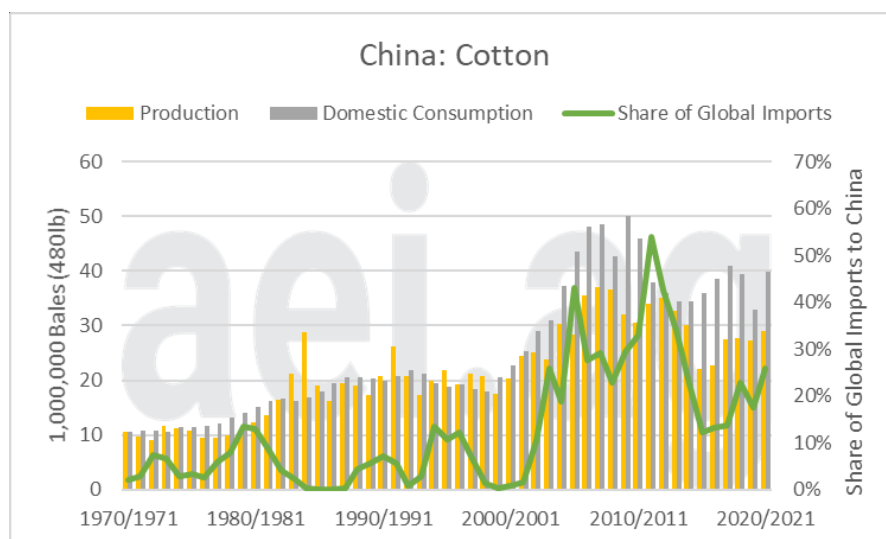
Cotton Export Total Commitments as a Percent of U.S. Cotton Exports, by Week



Source: USDA/OCE/FAS

China depends upon cotton imports to satisfy domestic consumption. It has been somewhat of a bumpy ride, with cotton usage cotton first peaking around 2010 at nearly 50 million bales before turning downward. For 2020/21, consumption is nearly 40 million bales. As Chinese usage of cotton has been re-calibrated over the last decade, domestic production and China's role in global trade did so as well. In

2011/12, Chinese purchases of cotton accounted for 54% of global trade but by 2015/16 had fallen to just 12%. Currently, China accounts for 26% of global trade in cotton.



Alongside the trade environment, COVID and the weather can be considered other important sources of uncertainty in the cotton market. Although the global inoculation process is underway, recent surges in infections have already caused a series of new restrictions on economic activity in several of the world's major textile processing countries. The strong growth in global mill-use projected for the upcoming crop year is based on an assumption of strong global economic growth.

China's 2021/22 Supply and Demand Balance for Corn, Soybeans, and Cotton

Chinese corn imports for 2021/22 were forecast at 20 million tonnes, down from 22 million tonnes. Grain imports in 2020 hit a record amid high prices for domestic corn. Growth in Chinese soybean consumption and imports in 2021/22 was expected to slow as pig production levels gradually recovered. China has its own monthly WASDE. As with the USDA, this report (released on May 11th) contains the first new crop estimates for China. Key numbers from the monthly China Agriculture Supply and Demand Estimates (CASDE) are below. Total imports (all sources/countries) are highlighted for corn, soybeans, and cotton.

	2019/2020	2020/21 April Estimate	2020/21 May Estimate	2021/22 May Forecast
Corn - crop year Oct-Sept				
Planted acreage (M hectares)	41.284	41.264	41.264	42.67
Output (M tons)	260.77	260.67	260.67	271.81
Imports (M tons)	7.6	22	22	20
Consumption (M tons)	278.3	289.16	289.16	293.7
Exports (M tons)	0.01	0.02	0.02	0.02
Balance (M tons)	-9.94	-6.52	-6.52	-1.91
Soybean - crop year Oct-Sept				
Planted acreage (M hectares)	9.354	9.882	9.882	9.347
Output (M tons)	18.1	19.6	19.6	18.65
Imports (M tons)	98.53	98.1	100.44	102
Consumption (M tons)	108.6	116.12	116.26	117.2
Exports (M tons)	0.09	0.15	0.15	0.15
Balance (M tons)	7.94	1.43	3.63	3.3

Cotton - crop year Sept-Aug				
Beginning stocks (M tons)	7.21	7.36	7.52	7.7
Planted acreage (M hectares)	3.3	3.17	3.17	3.11
Output (M tons)	5.8	5.91	5.91	5.73
Imports (M tons)	1.76	2.4	2.4	2.5
Consumption (M tons)	7.23	8.1	8.1	8.2
Exports (M tons)	0.02	0.03	0.03	0.03
Ending Stocks (M tons)	7.52	7.54	7.7	7.71

PLC Farm Program Payment Projections - 2020 CY

The table below projects the national marketing year average prices for purposes of the Price Loss Coverage (PLC) program. A PLC program payment is triggered when the national Marketing Year Average (MYA) price for a commodity falls below that commodity's effective reference price. The payment rate is then multiplied by the farm's program yield and made on 85% of base acres.

Covered Commodity	2020/21 MYA Price*	Effective Reference Price	2020 CY PLC Payment Rate
Corn	\$4.35	\$3.70	--
Grain Sorghum	\$5.05	\$3.95	--
Long Grain Rice	\$12.60	\$14.00	\$1.40
Medium Grain Rice	\$13.00	\$14.00	\$1.00
Seed Cotton	\$0.3454	\$0.3670	\$0.0216
Soybeans	\$11.25	\$8.40	--
Wheat	\$5.05	\$5.50	\$0.45

*national marketing year average (MYA) prices reflect the midpoint price level from the May 12, 2021 WASDE report.

Sources and Acknowledgements: USDA Agriculture Market Service (AMS), USDA Foreign Agriculture Service (FAS), USDA Farm Service Agency (FSA), USDA National Agriculture Statistics Service (NASS), USDA Economic Research Service (ERS), USDA FAS GAIN Report, USDA Office of Communications, USDA World Supply Demand Estimates (WASDE), AgDay, Ag Economic Insights, Ag Fax Media, Ag Market Network, Agri-Pulse, Ag Web, Agricultural Market Information System (AMIS), Allendale, American Farm Bureau Federation, Bloomberg News, Brock Report, CME Group, Cotton Grower, Cotton Incorporated, Cotton Outlook, Creed Rice Report, Delta Farm Press, DTN Progressive Farmer, Farm Futures, International Grains Council, Iowa State University, LSU AgCenter, National Cotton Council, Pro Farmer, Reuters, Refinitiv, Rice Market Letter, Southeast Farm Press, Successful Farming, Top Third Marketing, University of Illinois, U.S. Grains Council, USA Rice Federation, United Soybean Board, U.S. Soybean Export Council, and the Wall Street Journal.



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