

Corn futures traded on either side of unchanged before finishing the first half of March slightly higher. USDA on March 9 released its monthly WASDE report. The report left domestic ending stocks unchanged at 1.5 billion bushels versus the average trade estimate of 1.46 billion. No adjustments were made to the balance sheet. The most recent data from the EIA showed ethanol output jumped to the highest level in almost two months while inventories declined to the lowest level in more than two months. Production of the biofuel rose to an average of 938,000 barrels a day in the week that ended on March 5, up from 849,000 barrels a day, on average, the previous week. Internationally, focus remains on converting export sales to shipments and South American supply potential. U.S. corn export sales remain well ahead of the pace to meet USDA's annual projection (90 percent this year versus 71 percent on average) but actual shipments continue to lag. Despite a strong last two weeks, the shipment pace remains 74 million bushels behind the pace generally witnessed to meet the forecast. U.S. and Chinese officials are meeting on March 18 in Alaska to discuss an array of issues, including trade. The acute Argentine dryness of the last 5 weeks Brazil's winter corn seeding missing the optimal planting window has provided market support. The production potential of Brazil's second crop is always important to the feedgrain marketplace, but has taken on even greater importance amid tight global balance sheets. Market attention will focus on the March Stocks/Prospective Plantings reports, set to be released on March 31. Additionally, the Quarterly Hogs and Pigs report on March 25 will provide an insight into hog inventories and potential feedstuff demand through the end of the year for the pork sector. Our clients have extended flexible coverage into deferred periods ahead of receiving official acreage estimates later this month to maintain upside opportunity and downside protection.



The estimated yield for the May 2021 crop is 216 bushels per acre and the non-land operating cost is \$579 per acre. Land cost for May 2021 is estimated at \$233 per acre¹. Basis for the May 2021 crop is estimated at \$0 per bushel.



The estimated yield for the Dec 2021 crop is 206 bushels per acre and the estimated operating cost is \$576 per acre. Land cost for Dec 2021 is estimated at \$233 per acre¹. Basis for the Dec 2021 crop is estimated at \$-0.17 per bushel.

¹ The Corn Margin Watch yield, land and non-land operating cost values are based upon central Illinois low productivity farmland crop estimates in the "Historic Corn, Soybean, Wheat, and Double-crop Soybeans" report published by the Department of Agricultural and Consumer Economics at the University of Illinois.

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