

Corn futures fell throughout the last half of May and ended the month lower as weather cooperated with U.S. farmers sowing their fields. USDA indicated U.S. farmers had planted 86 percent of the crop through the week ending May 29. This was one percentage point ahead of the 5-year average and in-line with pre-report estimates. Planting progress remains significantly behind historical norms in North Dakota, which grows about 3 percent of U.S. corn. The expectation is for a chunk of these unplanted acres to be transitioned to soybeans in the coming weeks. Ethanol output jumped in the week ending May 20, topping the 1 million-barrel-per-day mark for the first time in almost two months. Ethanol stockpiles, meanwhile, dropped to 23.712 million barrels. That's down from 23.791 million barrels a week earlier and the lowest level since mid-January. Corn export shipments have been strong in recent weeks and are only 4 million bushels behind the historical pace needed to meet USDA's annual forecast. Outstanding sales of new crop corn have slowed in recent weeks but remain ahead of the historical average for this time of the year. Internationally, world crude oil prices surged once again to 2-month highs as EU leaders partially banned Russia crude oil imports. Domestic gas prices have already been setting new records and the move could impact gasoline demand moving forward. Negotiations continue on opening a Ukraine marine food export corridor but have been fruitless thus far. Lack of Ukraine grain will likely push portions of the world into a food crisis in the third quarter of the year when Black Sea exports seasonally increase. Basis in Argentina and Brazil has rallied recently, indicating official production forecasts may be too high. U.S. weather will dominate the market discussion over the next three months. Our clients have benefited from having scaling into flexible coverage at historically high price levels throughout the spring. They will be evaluating adjustments as production potential comes into focus over the next several weeks.



The estimated yield for the Jul 2022 crop is 205 bushels per acre and the non-land operating cost is \$607 per acre. Land cost for Jul 2022 is estimated at \$252 per acre ¹. Basis for the Jul 2022 crop is estimated at \$-0.15 per bushel.



The estimated yield for the Dec 2022 crop is 215 bushels per acre and the estimated operating cost is \$754 per acre. Land cost for Dec 2022 is estimated at \$277 per acre ¹. Basis for the Dec 2022 crop is estimated at \$-0.06 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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