

Soybean futures traded on either side of unchanged during the last half March before closing out the month lower as heavy planted acres outweighed the past several weeks of strong export sales. USDA on March 31 released its annual Prospective Plantings report and record-high fertilizer costs seem to have made an impact on planting decisions. Acreage estimates were based on surveys conducted during the first two weeks of March. USDA pegged 2022 soybean acreage at a record 90.955 million acres. This was 3.8 million acres above a year ago. The average analyst pre-report estimate was 88.809 million acres with a range of estimates from 86.0 to 92.2 million acres. Larger soybean acreage is expected in 24 of the 29 estimating states. USDA on March 31 also released its quarterly Grain Stocks report. Old crop soybean stocks on March 1 totaled 1.93 billion bushels, 24 percent higher than a year ago. Analysts expected soybean stocks to range between 1.602 to 1.965 billion bushels, with the average analyst estimate pegged at 1.893 billion. The December 2021-February 2022 indicated disappearance of 1.22 billion bushels was 12 percent lower than the same period a year ago. Soybean export shipments have been seasonally weak for this time of the year. Year-to-date, export shipments are 72 million bushels behind the historical pace needed to meet USDA's annual forecast. Outstanding soybean export sales, on the other hand, have counter-seasonally increased over the last month. Outstanding soybean export sales are the second-highest on record for this time of the year, trailing only the 18/19 crop year. Mississippi River depth has improved in recent weeks, which should aid in the ability of bringing product to end users around the globe. Soybean oil prices continue to trade near contract highs as the global vegetable oil market remains on edge amid war in Ukraine. Ukraine and Russia account for 80 percent of the world's total sunoil exports. Reports of mines planted in the Black Sea, damage to Ukrainian ports, and the inability for carriers to obtain insurance to conduct commerce in the region complicate the region's ability to be a reliable supplier of goods on the global stage for the foreseeable future. Our clients have benefited from layering into strategies to provide protection to the downside. They will be patiently evaluating adjustments as the market continues to break.



The estimated yield for the May 2022 crop is 62 bushels per acre and the non-land operating cost is \$345 per acre. Land cost for May 2022 is estimated at \$275 per acre¹. Basis for the May 2022 crop is estimated at \$-0.22 per bushel.



The estimated yield for the Nov 2022 crop is 62 bushels per acre and the estimated operating cost is \$385 per acre. Land cost for Nov 2022 is estimated at \$275 per acre¹. Basis for the Nov 2022 crop is estimated at \$-0.33 per bushel.

¹ The Soybeans 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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