

Soybean futures traded on either side of unchanged but ended the first half of March slightly higher across the board. USDA on March 9 released its monthly WASDE report. Soybean ending stocks were left unchanged on the U.S. domestic balance sheet at 120 million bushels versus the average trade estimate of 119 million. An increase in seed use of 1 million bushels was offset by a lowering of residual usage by the same amount. NOPA reported a surprisingly disappointing crush figure for February of 155 million bushels. This was 15 million bushels below expectations and the lowest in 17 months due primarily to severe winter weather across the Midwest. This marked the first month of the 20/21 crop year for which crush rates did not set a record for the month. Old crop soybean export sales are running at 99 percent of the USDA forecast compared to 87 percent on average for this point in the year. The export shipment rate is running 270 million bushels ahead of the pace needed to meet the USDA forecast and has seasonally slowed in recent weeks. Soybean oil has underpinned strength in the soy complex on rising global palmoil prices. Internationally, Argentine soybean crop ratings continue to fall and 31 percent of the crop is rated poor. The Brazilian soybean harvest is expected to be 50 percent complete in the coming days and Brazilian March exports are on track to be record large. A resurgence in African Swine Fever cases in China serves as a threat to further expansion of soybean exports to the world's largest pork producing nation. The new outbreak has pressured the entire soybean complex in recent days, particularly meal. U.S. and Chinese officials are meeting on March 18 in Alaska to discuss an array of issues, including trade. Our clients have begun to scale into new crop coverage with flexible positions as the market awaits official acreage data later this month. Our clients have scaled into new crop coverage with flexible positions as the market awaits official acreage data later this month.



The estimated yield for the May 2021 crop is 65 bushels per acre and the non-land operating cost is \$340 per acre. Land cost for May 2021 is estimated at \$233 per acre ¹. Basis for the May 2021 crop is estimated at \$-0.02 per bushel.



The estimated yield for the Nov 2021 crop is 61 bushels per acre and the estimated operating cost is \$340 per acre. Land cost for Nov 2021 is estimated at \$233 per acre ¹. Basis for the Nov 2021 crop is estimated at \$-0.25 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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